

128095

JPRS-SEA-85-046

15 March 1985

19980901 084

## Southeast Asia Report

DTIC QUALITY INSPECTED 4

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY  
NATIONAL TECHNICAL  
INFORMATION SERVICE  
U.S. DEPARTMENT OF COMMERCE  
SPRINGFIELD, VA. 22161

6  
169  
A48

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

15 March 1985

## SOUTHEAST ASIA REPORT

## CONTENTS

## CAMBODIA

Hun Sen Thanks India's Gandhi for Condolences (Phnom Penh Domestic Service, 15 Feb 85) .....	1
Chea Sim Attends Youth Committee Meeting (Phnom Penh Domestic Service, 13 Feb 85) .....	2
Phnom Penh on Operations Against 'Bandits' (Phnom Penh Domestic Service, 14 Feb 85) .....	3
Clandestine Radios Report Battlefield Activities (Voice of the National Army of Democratic Kampuchea, 18 Feb 85; Voice of Democratic Kampuchea, various dates)	4
Attacks on Battambang 12 Feb Attack on Siem Reap 130 Soldiers Deserted Attack in Kompong Thom Track Destroyed Positions, Villages 'Liberated'	

## INDONESIA

MERDEKA Urges ASEAN Not To Become PRC, U.S. Tool (Editorial; MERDEKA, 13 Feb 85) .....	8
Moerdani on Policy Against Extremists, Terrorists (KOMPAS, 18 Jan 85) .....	10
Parliament Approves Bill on Political Parties (ANTARA NEWS BULLETIN, 12 Feb 85) .....	12
Paper Comments on Mahathir's Criticism (Editorial; BUSINESS NEWS, 13 Feb 85) .....	13

Problems in Transmigration Program Described (ANTARA NEWS BULLETIN, 13 Feb 85) .....	15
Dr Ridwan Saidi on NU Membership in PPP (PELITA, 14 Jan 85) .....	17
Iranian Ambassador on Trade Improvement (ANTARA NEWS BULLETIN, 11 Feb 85) .....	19
Trade-Politics Dividing Line in Trade With PRC Discussed (Editorial; BUSINESS NEWS, 13 Feb 85) .....	20
Political, Economic Development Seminar With SRV (AFP, 18 Feb 85) .....	22
Indonesia To Become World's Largest Hardwood Exporter (KOMPAS, 18 Jan 85) .....	23
Steel Products Export Projection (BUSINESS NEWS, 1 Feb 85) .....	25
GDR To Provide Export Credits (BUSINESS NEWS, 6 Feb 85) .....	26
Fertilizer Industry To Support Export Program (ANTARA NEWS BULLETIN, 9 Feb 85) .....	28
Japan Lowers Import Duties on Plywood, Shrimp (BUSINESS NEWS, 8 Feb 85) .....	29
PELNI To Buy More Ships From FRG (BUSINESS NEWS, 1 Feb 85) .....	30
LNG Production Figures (BUSINESS NEWS, 8 Feb 85) .....	31
Aggressive Marketing Efforts on Japanese Oil Market Urged (ANTARA NEWS BULLETIN, 9 Feb 85) .....	33
Subroto on VAT on Fuel Oils, Coal Export (ANTARA NEWS BULLETIN, 12 Feb 85) .....	35
Pertamina To Introduce New, Cheaper Oil Grade (ANTARA NEWS BULLETIN, 12 Feb 85) .....	36
Palm Oil Factory To Be Built in East Kalimantan (ANTARA NEWS BULLETIN, 13 Feb 85) .....	37
More Oil Finds Off Madura (ANTARA NEWS BULLETIN, 15 Feb 85) .....	38

Canada Offers Mining Technology (ANTARA NEWS BULLETIN, 12 Feb 85) .....	40
Subroto Urges Energy Cooperation (KYODO, 21 Feb 85) .....	42
Suralaya Power Plant To Start Operation in February (BUSINESS NEWS, 1 Feb 85) .....	44
ADB Assistance for Irrigation Projects (BUSINESS DAY, 6 Feb 85) .....	46
Possible Use of Sogoshosa Good Services Discussed (ANTARA NEWS BULLETIN, 8 Feb 85) .....	47
KRUPP Engine To Be Built Here (ANTARA NEWS BULLETIN, 12 Feb 85) .....	48
Minister on Need To Lower Port Charges, Cengkareng Airport (ANTARA NEWS BULLETIN, 12 Feb 85) .....	49
Lowering of Port Charges, Sea Transport Costs Deemed Possible (ANTARA NEWS BULLETIN, 12 Feb 85) .....	51
Army Reorganization in East Java Military Region (HARIAN UMUM AB, 17 Jan 85) .....	52
Turkish Defense Minister Arrives in Jakarta (Jakarta Domestic Service, 19, 20 Feb 85) .....	53
Welcomed at Airport Meeting With Poniman, Murdani	
Briefs	
Forced Birth Control	54
Situation in Timor Worse	54
1984 Non-Oil Exports Up	55
Salman Hafidz Executed	55
New Investment Board Chief	55
Intelsat-ASEAN Meeting	55

## LAOS

Oudomsai Secretary on PRC Threat, Development (Sompheung Keobounhouan Interview; PASASON, 12 Jan 85) ...	56
'Talk' Sees PRC as Menace to Southeast Asia (PASASON, 12 Jan 85) .....	59
Resolution 51 Cited in Vientiane Political Development (Viengkham Thanousai; PASASON, 15 Jan 85) .....	61

Official on Party Role in Foreign Ministry (Khamouan Teunglovankham; PASASON, 29 Jan 85) .....	64
'Letters' Column Responds to Thai White Paper (PASASON, 18 Jan 85) .....	67
Capital Meets State Trade Plan (PASASON, 17 Jan 85) .....	69
Bokeo Trade Development, Problems Noted (Khoumthong Sinnachak; PASASON, 22 Jan 85) .....	70
Social, Economic Situation of Skilled Worker Noted (MEGNING LAO, Dec 84) .....	71
Agriculture, Industry, Roads, Education Results Summarized (VIENTIANE MAI, 9 Jan 85) .....	73
Editorial Calls for Rational Pricing, Wages (PASASON, 22 Jan 85) .....	74
Electricity Corporation Reports Production (Simmavong Thanousin; VIENTIANE MAI, 5 Jan 85) .....	76
Female Troops' Jobs, Ages Reported (Souvanpheng; MEGNING LAO, Dec 84) .....	78
Ex-RLA Officer in LPA Flees to Thailand (DAO SIAM, 12 Jan 85) .....	80
Guerrillas Enforce Border Rules, Seize Thais (DAO SIAM, 15 Jan 85) .....	81
Briefs	
Vientiane Capital Bank Deposits .....	82
Luang Prabang District Co-ops, Yields .....	82
Savannakhet Co-op Drive .....	83
LPA Caught Smuggling .....	83
PSS Career Path .....	83

#### MALAYSIA

U.S. Policy Disrupts Textile Trade (Sharif Haron; BUSINESS TIMES, 22 Jan 85) .....	84
Incentives Offered to Singapore Investors (BUSINESS TIMES, 17 Jan 85) .....	86
Japanese Investment Reorientation Planned (Charles Chan; BUSINESS TIMES, 22 Jan 85) .....	87

Trade Ties Favor Japan: Foreign Minister (Fauziah Haji Ismail; BUSINESS TIMES, 23 Jan 85) .....	88
Rise in 1984 Palm Oil Production Noted (BUSINESS TIMES, 17 Jan 85) .....	89
Japan To Buy More Malay Natural Gas (NEW STRAITS TIMES, 24 Jan 85) .....	90
China Urges To Cut Ties to Malay Communists (NEW STRAITS TIMES, 16 Jan 85) .....	91
Army Urged to Greater Efforts Against Communists (NEW STRAITS TIMES, 18 Jan 85) .....	92
Naval Air Arm Planned (NEW STRAITS TIMES, 16 Jan 85) .....	93
Mahathir Deplores Religious Fundamentalism (NEW STRAITS TIMES, 16 Jan 85) .....	94
PAS Subversion of Education Deplored (NEW STRAITS TIMES, 18 Jan 85) .....	95

#### NEW ZEALAND

Commentary on Upcoming Samoa Election (Wellington Overseas Service, 20 Feb 85) .....	96
Reportage on Continuing Reaction to Nuclear Ship Ban (Wellington Overseas Service, various dates) .....	97
Visitor on UK View Thousands Rally in Support Lange Warns USSR on Driving Wedge	
Briefs Parliamentary Electoral System Review	99

#### PAPUA NEW GUINEA

Shutdown of Ok Tedi Ordered (Noel Pascoe; PAPUA NEW GUINEA POST COURIER, 1 Feb 85) ...	100
Somare Explains Ok Tedi Action (PAPUA NEW GUINEA POST COURIER, 4 Feb 85) .....	101
Government Reassures Foreign Investors on Ok Tedi (PAPUA NEW GUINEA POST COURIER, 4 Feb 85) .....	102

## PHILIPPINES

Paper Draws Vietnam Comparison on U.S. Adviser Role (Teodoro Benigno; ANG PAHAYAGANG MALAYA, 28 Jan 85) .....	103
VERITAS 'Special Report' on Instability in Negros (VERITAS, 27 Jan 85) .....	105
Conditions Profiled Rice Farming Contrasts in 'Mono-Crop' Island Bishop on Injustice	
Reportage on NPA Activities, Encounters (Various sources, various dates) .....	112
Samar, Pampanga Ambushes 32 Repulse 300 NPA Band Nine NPA Suspects Killed PDP-Laban Assemblyman Fingering BMA Finance Officer, NPA Man Caught Farmer Killed Over Withdrawn Support Army Repels Ambushers	
RUC XI Commander: AFP Ready for Second Stage Against NPA (Pris Rojo; PEOPLE'S DAILY FORUM, 27 Jan 85) .....	118
Commentary on Need for Coalitions in Parliamentary Politics (S. W. Yolanda; BULLETIN TODAY, 18 Jan 85) .....	120
Sison on Growth of Revolution, Election Participation (VISAYAN HERALD, 25 Jan 85) .....	121
Communists Use Businessmen, Professionals: Ramos (PEOPLE'S DAILY FORUM, 26 Jan 85) .....	123
Opposition Columnist Contrasts Popielusko, Aquino Cases (Melinda Quintos de Jesus; VERITAS, 27 Jan 85) .....	124
Beltran on Marcos Administration Aid to Salonga Candidacy (Luis D. Beltran; VERITAS, 27 Jan 85) .....	126
Jesuit Columnist on Attacks Against 'Convenor Group' (Joaquin G. Bernas; VERITAS, 27 Jan 85) .....	127
Banco Filipino Closure: 'Only Crony Banks Will Survive' (ANG PAHAYAGANG MALAYA, 28 Jan 85) .....	128
New Year Offers Opportunity for Muslim-Christian Dialogue (Eliseo R. Mercado; THE MINDANAO CROSS, 12 Jan 85) .....	130



VISAYAN HERALD Articles Support Liberation Theology (VISAYAN HERALD, various dates) .....	132
Church's Response to Philippine Crisis, by Ana Mariano Church Factor in Revolution, Edicio de la Torre Interview	
Subversion Charges Against Two Priests Dropped (PEOPLE'S DAILY FORUM, 27 Jan 85) .....	138
'Concerned Christians' Urge 26 Jan 85 Strike Support (VISAYAN HERALD, 26 Jan 85) .....	139
Public Works Vehicles Used by BMA in Davao del Norte (PEOPLE'S DAILY FORUM, 26 Jan 85) .....	141
Military Reinforcement of Negros 'Viewed With Apprehension' (ANG PAHAYAGANG MALAYA, 28 Jan 85) .....	142
'Unknown Terrorists' Bomb Cotabato Sugar Plant (PEOPLE'S DAILY FORUM, 26 Jan 85) .....	143
Tolentino Urges Border Crossing Pact With Malaysia (PHILIPPINES DAILY EXPRESS, 27 Jan 85) .....	144

#### THAILAND

Supporting Thailand's National Development Plans Reported (Toshio Nakamura; LOOK JAPAN, 19 Jan 85) .....	145
Cartoon Views Kissinger Participation in Khmer Talks (LAK THAI, 31 Jan 85) .....	149

#### VIETNAM

##### MILITARY AFFAIRS AND PUBLIC SECURITY

Information on Vietnamese Military Units (Various sources, various dates) .....	150
--	-----

##### ECONOMIC PLANNING, TRADE AND FINANCE

Nghe Tinh Improves Quality of Tax Cadres, Collection (Thanh Phong; NHAN DAN, 3 Jan 85) .....	154
Conference Discusses Ways To Stimulate, Expand Family Economy (NHAN DAN, 3 Jan 85) .....	156

##### AGRICULTURE

Tien Giang Completes Organization of Farmers in Collective Production (NHAN DAN, 2 Jan 85) .....	159
---	-----

HUN SEN THANKS INDIA'S GANDHI FOR CONDOLENCES

BK151550 Phnom Penh Domestic Service in Cambodian 0430 GMT 15 Feb 85

[Text] Comrade Hun Sen, chairman of the Council of Ministers of the PRK, has sent a message of thanks to His Excellency Rajiv Gandhi, prime minister of the Republic of India, for sending a condolence message and delegation to mourn the death of Comrade Chan Si, chairman of the Council of Ministers of the PRK. The message stresses:

On behalf of the Cambodian Government and people and in my own name, I would like to express deep thanks to you for sending a message and a delegation of condolences to us at a time when our government and people were afflicted with the loss of Comrade Chan Si, Political Bureau member of the KPRP Central Committee and chairman of the Council of Ministers of the PRK, a loyal revolutionary and a leading cadre wholeheartedly dedicated to the cause of the Cambodian nation and people. In connection with the loss of Comrade Chan Si, the Cambodian Government and people pledge to turn their grief into a great strength in order to fulfill all revolutionary tasks, successfully build socialism, and firmly defend our beloved fatherland.

CSO: 4212/46

## CHEA SIM ATTENDS YOUTH COMMITTEE MEETING

BK131721 Phnom Penh Domestic Service in Cambodian 0430 GMT 13 Feb 85

[Text] On the morning of 12 February, at the office of the KUFNCD National Council, the Cambodian Committee for Organizing the 12th Youth World Festival solemnly held its second meeting. Attending the meeting were, among others, Comrade Chea Sim, member of the party Central Committee Political Bureau, chairman of the National Assembly, chairman of the KUFNCD National Council, and chairman of the Cambodian Committee for Organizing the 12th Youth World Festival; Comrade Men Sam-an, member of the party Central Committee, chairman of the Central Propaganda and Education Commission, and vice chairman of the Cambodian Committee for Organizing the 12th Youth World Festival; Comrade Kang Nem, acting secretary of the provisional Committee of the Cambodian People's Revolutionary Youth Union, and Comrade Sam Sundoen, chairman of the Cambodian People's Revolutionary Youth Association. Also attending this meeting were cadres from some ministries and many local and foreign reporters.

The meeting listened to a report dealing with the setting up and promotion of a 3-point emulation movement among youths which in the past achieved good results. Furthermore, the meeting discussed the reasons for these victories and good experiences to get ready to participate in the 12th Youth World Festival to be held in Moscow, Soviet Union, in the near future.

CSO: 4212/46

## PHNOM PENH ON OPERATIONS AGAINST 'BANDITS'

BK151639 Phnom Penh Domestic Service in Cambodian 1200 GMT 14 Feb 85

[Excerpts] Last week the bandits of all stripes made all-out efforts through psychological and guerrilla warfare tactics to undermine the political security and social order of our people in remote regions in order to loot our rice and sabotage our state property. However, grasping the enemy's fundamental maneuver to destroy our rear and determined to turn their hatred into concrete actions while upholding the revolutionary vigilance every minute, our revolutionary armed forces in close cooperation with the Vietnamese Army volunteers and local authorities, militia, and population launched repeated sweeping operations against the enemy, refusing to let them hide in the inhabited localities or remote regions.

On 28 January our armed forces in the northeastern region, in cooperation with the Vietnamese volunteer forces, launched a sweeping operation against a group of bandits and reactionaries awaiting the right moment to rob our people in the remote hamlets of Kaoh Nhek District, Mondolkiri Province. After surrounding and calling on them to surrender, the recalcitrant enemy attempted to resist. We opened fire, killing or wounding more than 50 of them and seizing a large quantity of weapons.

The Pol Pot remnants always use psychological warfare tactics to mislead or frighten the people and to lie to their own followers. They have distorted truth, claiming to be attacking this or that area and this or that town and to be successful in liberating this or that region. However, the truth is something else altogether. In fact, on 2 February the armed forces of Sangke District, Battambang Province, killed seven bandits on the spot and wounded two others when they reared their heads from the bush in an attempt to sow destruction against our people. Later, on 3 February, our armed forces intercepted groups of bandits trying to rob the people of rice in remote areas, killing more than 20 enemy soldiers and capturing 10 others and seizing back all of the rice and cattle taken away from our people by these bandits. During the past week, as many as 113 misled people surrendered to our revolutionary authorities and people because they knew that their future with the enemy was bleak.

CSO: 4212/46

CLANDESTINE RADIOS REPORT BATTLEFIELD ACTIVITIES

Attacks on Battambang

BK190343 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 18 Feb 85

[Excerpts] On the night of 1 February, our national army launched a two-pronged attack on Sisophon District seat, Sisophon-North of Route 5 battlefield, Battambang Province.

The first prong attacked from the north against the high school. The second prong was directed from the east along Route 6 against the market. After 30 minutes of fighting, we completely destroyed this district seat. We killed 20 Vietnamese enemy soldiers on the spot and wounded 35 others. We destroyed two anti-aircraft guns, two B-40's, two RPD's, four AK's, and a quantity of military materiel. We seized five AK's and some ammunition and military materiel.

On 10 February, our national army attacked Preah Net Preah District seat, Battambang Province. After 15 minutes of fighting, we killed 13 Vietnamese enemy soldiers and wounded 15 others. We destroyed an AK, a B-40, a district office building, 14 military barracks, and a quantity of military materiel. We seized some weapons, ammunition, and military materiel.

On 11 February, we ambushed two Vietnamese enemy tanks in an area between Phnum Nu and Andong Ti, Sisophon-South of Route 5 battlefield, Battambang Province. We fired at and set ablaze a T-54 and an M-113. Thirteen Vietnamese enemy soldiers who were in these tanks were killed and 14 others were wounded. We destroyed an 85-mm gun, an M-30, eight AK's, and all materiel in the tanks.

12 Feb Attack on Siem Reap

BK160102 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 15 Feb 85

[Text] On the night of 12 February, our commandos launched a four-pronged attack on Siem Reap town for the second time. The first prong was aimed at the large ammunition depots in the Siem Reap College; the second prong attacked

the headquarters of Brigade 7705, located on the Siem Reap River bank north of Vat Damnak Monastery; the third prong attacked the Siem Reap District town and materiel depot, located west of Phsar Thmei market along Route 6 to the east of the town; and the fourth prong launched a sweeping attack on the defense line of the town which stretches from (Pram Neak) to (Phleov). The four prongs attacked simultaneously. After a 40-minute battle, we killed 55 Vietnamese soldiers on the spot and wounded over 100 others, for a total of more than 155 enemy casualties. We destroyed an airplane and a helicopter at the new airfield; 3 tanks; 5 jeeps; 7 trucks; 3 DK-85's; 4 12.8-mm machineguns; 7 Goryunov guns; 2 ammunition depots, each of which is 100 meters long and 30 meters wide; a depot containing weapons of all calibers; an oil depot containing 100 barrels of gasoline; 2 rice depots; a material warehouse containing 500 rolls of cloth; 100 barracks; 100 trenches; 4 telegraph sets; 10 telephone sets; and a large quantity of ammunition and war materiel. We also seized a large quantity of weapons, ammunition, and war materiel.

#### 130 Soldiers Deserted

BK151645 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
14 Feb 85

[Excerpt] On 4 February, 130 Khmer soldiers deserted the Vietnamese and returned home from Preah Vihear battlefield. The reason was that these soldiers refused to serve and die on behalf of the Vietnamese and to kill their compatriots. This incident clearly shows the patriotic spirit of every Cambodian who certainly will not allow the Vietnamese to exterminate the Cambodian race.

#### Attack in Kompong Thom

BK180334 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
17 Feb 85

[Excerpt] On the night of 9 February, our national army launched a 3-pronged attack on Stoung District seat in Kompong Thom Province. The first prong went in from west of the market; the second attacked the district seat office; and the third attacked the battalion position at Svay Romiet. We opened fire at the same time. After a 40-minute battle, we completely liberated and controlled this district seat. We killed 10 Vietnamese enemy soldiers and wounded 15 others for a total of 25 casualties. We destroyed a truck, 2 motorcycles, 2 rice mills, 60 trenches, 10 barracks, 500 sacks of paddy, and some military materiel. We seized a pistol, five AK's, two telephones, four bicycles, three bundles of cloth, and some military materiel.

On 12 February, we ambushed a column of seven Vietnamese tanks leaving (Barang Theak) for (Daeum Khtoung) at (Boeng Prasat) on the South Sisophon battlefield [Battambang Province]. We destroyed two tanks; killed 16 Vietnamese soldiers and wounded 8 others inside the tanks; and destroyed all weapons and ammunition inside the tanks.

On 10 February, our national army and guerrillas ambushed a Vietnamese convoy near Stoeng on Leach battlefield [Pursat Province], destroying 3 trucks on the

spot; 10 Vietnamese soldiers inside the trucks were killed and another 16 wounded. Two more Vietnamese soldiers were killed and four more wounded when they attempted to retrieve their comrades' bodies, bringing the total to 32 casualties.

On 6 February, our national army and guerrillas destroyed the Phnom Penh-Battambang railway line at 19 places for a total of 442 meters. On 6 February, our national army and guerrillas destroyed the railroad track between Thani Bat and Svay Don Kev on MOUNG-PURSAT battlefield [Pursat Province] at 12 places with a total length of 300 meters. On 12 February, we destroyed the railroad track at Krang Skea Station on Kompong Chhnang battlefield [Kompong Chhnang Province] at seven places with a total length of 142 meters.

#### Track Destroyed

BK170223 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
16 Feb 85

[Text] On 10 February, our national army and guerrillas destroyed the railroad tracks near Bat Doeng Station in Oudong District [Kompong Speu Province] on the northwest Phnom Penh battlefield at 6 places for a total length of 150 meters.

Long live our valiant and courageous national army, guerrillas, and people on the northwest Phnom Penh battlefield!

#### Positions, Villages 'Liberated'

BK180530 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
16 Feb 85

[Excerpt] On 10 February, our national army launched a 3-pronged attack on Boeng Khna Township on MOUNG-PURSAT battlefield [Pursat Province]. The first prong attacked a battalion position; the second prong Boeng Khna Township and Boeng Khna Commune Office; and the third attacked the Vietnamese position at Srang Monastery which forms the defense network for protecting the township and the commune office. After a 1-hour battle, we completely liberated these three places. We killed 25 Vietnamese enemy soldiers and wounded 30 others for a total of 55 casualties. We destroyed a 12.8-mm machinegun, a machinegun, an 80-mm mortar, 2 B-40 and a B-41 rocket launcher, an M-79, an AK, 2 commune office buildings, 20 barracks, 80 trenches, 4 rail cars, a rice mill, a truck, a paddy stock containing 500 sacks of paddy, a warehouse containing 100 bundles of cloth, a steam roller, and some materiel. We seized 3 AK's, 10 hand grenades, 10 Soviet mines, and some materiel. The next morning, we continued to sweep the Vietnamese from Boeng Khna to (?Kaoh Khsack). We liberated seven villages: Boeng Khna, Preah Mul, ROUNG, Ta Yaeuv, Mar, Treang, and Krakor.

On 11 February, our national army and guerrillas attacked a Vietnamese commune office at Chranok in Kompong Leng District, Tonle Sap battlefield [Kompong Chhnang Province]. After a 20-minute battle, we completely liberated this commune office. We killed two Vietnamese soldiers and wounded four others.

We destroyed 3 commune office buildings, 8 barracks, 10 trenches, 30 sacks of paddy, and some materiel. We seized three AR-15's, five sacks of rice, and some documents and materiel. We liberated nine villages: Prasat, Kuy, Thmar Kangkaep, Thmar Ring Kraom, Thmar Ring Leu, Thnok, Kandal, (Ae Lech), and Ph'ak. On 12 February, a Vietnamese battalion attempted to retake the commune office at Chranok. Upon arriving at Thmar Kangkaep, they were ambushed by our forces. We killed 10 Vietnamese enemy soldiers, including a battalion commander, and wounded 17 others. We seized an AK, an RPD, a C-25 radio, a map, and some war materiel.

CSO: 4212/46



MERDEKA URGES ASEAN NOT TO BECOME PRC, U.S. TOOL

BK211125 Jakarta MERDEKA in Indonesia 13 Feb 85 p 5

[Editorial: "The Unlucky ASEAN"]

[Text] Malaysian Prime Minister Mahathir Mohamed has voiced complaints over ASEAN. According to him, ASEAN was originally established for economic cooperation, but in reality it has stressed political cooperation.

Mahathir's complaint and accusation are evidence of ASEAN's failure to match its actions with its adopted resolutions, or its deeds with its words. What the Malaysian prime minister regrets about ASEAN is something we can note, but it is also something increasingly uninteresting to talk about. What can be gained from making complaints?

The fact that ASEAN has pursued political instead of economic and cultural cooperation and the fact that those inside ASEAN are dissatisfied, or even a little disgusted, with the attitudes and behavior of this organization are ironic if related to the enormous amount of praise heaped on it by Western statesmen, politicians, and mass media. Outsiders indeed can only see the facade of things, while we who live and exist inside ASEAN know exactly its actual contents, motivations, [words indistinct].

In a solemn declaration a few years ago, this organization issued its determination to create a zone of Peace, Freedom, and Neutrality [ZOPFAN] in Southeast Asia. In practice, however, this organization has pursued a policy of confrontation and a policy that provokes tension and instability in the region.

As an organization that wants to change its stance into one that emphasizes political cooperation, ASEAN has succeeded in orbiting the "Cambodian problem" as a special case to show its political hypocrisy. Without its being aware, ASEAN has let itself become a PRC tool to "instigate the second Indochinese revolution." It has also become a Washington tool in implementing its policy of revenge against Vietnam. The Bangkok declaration on "economic and cultural cooperation" and the Kuala Lumpur declaration on ZOPFAN have been used only as political lip service to mislead the ASEAN people.

The games ASEAN plays have become more and more obvious, especially its move to protect the Pol Pot-Khmer Rouge genocidal regime under the guise of an anti-Vietnamese Cambodian coalition government. Through its efforts to destabilize Southeast Asia, ASEAN's true political direction and commitment are becoming increasingly exposed. We can no longer believe in or tolerate anything under the pretext of cooperation when in fact this regional grouping has clearly allowed itself to become a tool of a superpower bloc. This is because ASEAN does not seek a policy of international cooperation, but instead looks for factors that belittle or even remove the desire for cooperation.

It is not surprising for Dr Mahathir Mohamed to complain, as he himself doubts ASEAN's ability to stick consistently to the principles it has solemnly proclaimed. However, he should not just complain. It is not possible for Malaysia to take an initiative to purify ASEAN and its goals and to extricate ASEAN from the tangles of superpower strategy which aims at manipulating ASEAN for the sake of their global strategy?

ASEAN must return to its original form stipulated by the Bangkok and Kuala Lumpur declarations and renounce its adventurous trait, which has destroyed its own image and betrayed the sincerity of its original aims. ASEAN must return to its starting point to uphold again the basic principles it originally adopted. If it fails to return to its original principles, it is-- [despitive] Western voices of admiration--suffering an unlucky fate which continuously affects its people. ASEAN people are fully aware of this fact and only they can experience this fate because they are citizens of this region.

It has now been proved that all international political projects imposed on the shoulders of the Southeast Asian people have always ended in failure or self-aborted, even though they are initiated and supported by powerful international forces. SEATO is dead; ANZUS is disintegrating. ASEAN will suffer a similar fate if it deviates from its original aspirations--that is, if it does things that are contradictory to what it proclaimed it would do.

CSO: 4213/156

MOERDANI ON POLICY AGAINST EXTREMISTS, TERRORISTS

Jakarta KOMPAS in Indonesian 18 Jan 85 p 8

[Text] Jakarta, KOMPAS--The government and the Indonesian Armed Forces [ABRI] will continue to take firm action against any kind of extremist and terrorist activity. This is because whatever the excuse extremist and terrorist activity is very dangerous for the basic foundations of the life of our people as a nation and as a state, based on the Pancasila [Five Principles of the Nation].

This was stated by General L. B. Moerdani, commander of ABRI, at a ceremony marking the 17th anniversary of the establishment of the Department of Defense and Security and of Headquarters of ABRI at the Department of Defense and Security/ABRI Headquarters parade ground at Jalan Merdeka Barat in Jakarta on 17 January.

The ABRI commander admitted that in a number of places during the course of 1984 there had been disturbances carried on by extremist and terrorist groups. However, in a general sense the security situation is stable. He said: "The important thing is for ABRI always to be vigilant and ready so that it will be able to wipe out or prevent any signs of activity which seeks to carry out extremist or terrorist actions which can disturb peace and quiet among the people."

The written statement of the commander of ABRI was read by Air Marshal Oetomo, chief of the general staff of ABRI, who presided over the ceremony.

Increasingly Positive

On this occasion the commander of ABRI again recalled the statement by President Soeharto when he presented the Financial Notes and the State Budget for fiscal year 1985-86 before Parliament on 7 January. In the political field, he said, there were very important developments, including positive achievements in the effort to consolidate the Pancasila as the single founding principle, both of social forces as well as community organizations.

In that connection social and political forces and community organizations are continuing to develop and are seeking to consolidate themselves in order to support development activity. The commander of ABRI said that consideration of

five draft laws involving the conduct of political and state activity is making progress in Parliament and is taking place in a positive and constructive way.

General L. B. Moerdani said: "All of these are important elements pointing in an increasingly positive direction toward laying the foundations in the political field for stimulating the development of a just and prosperous society, based on the Pancasila."

Meanwhile, he said that in the economic field the effects of the uncertain international situation continue to be felt, so that these are not helpful to the smooth implementation of the development program. The negative influence of the world economic recession is still continuing. Market developments and the world oil price are still under heavy pressure. All of this, according to the commander of ABRI, require vigilance and careful consideration.

Speaking about government plans to increase the salaries of state employees, members of ABRI, and retired persons, General Moerdani said that this policy is evidence of how much attention the government is paying to the needs of the people. For that reason this policy should also be welcomed in a proper and responsible way in order to increase the spirit of service toward the nation and state.

5170

CSO: 4213/153

PARLIAMENT APPROVES BILL ON POLITICAL PARTIES

Jakarta ANTARA NEWS BULLETIN in English 12 Feb 85 p A9

[Text] Jakarta, [no day] Feb (ANTARA)--The DPR (parliament) in its plenary session Monday resolved to approve the Bill on Amendment on Law No 3 of 1975 on the political parties and Functional Group (Golkar), giving power to the president to promulgate the bill into law.

In Monday's session, led by DPR deputy speaker Amir Murtono, the four factions in the DPR announced their respective approval on the bill's passing into law.

The four factions--Karya Pembangunan Faction, PPP Faction and the Armed Forces Faction--essentially considered that the introduction of the amendment (on the law on political forces in the country) into the nation's political life was very important for the preservation of the Pancasila national ideology and the UUD 1945 state constitution.

CSO: 4200/577

PAPER COMMENTS ON MAHATHIR'S CRITICISM

Jakarta BUSINESS NEWS in English 13 Feb 85 pp 3, 4

[Editorial: "Premier Mahatir Criticizes ASEAN Economic Cooperation"]

[Text] At the conference of economic ministers of ASEAN in Kuala Lumpur recently Prime Minister Mahatir in his message deemed it necessary to strongly criticize the outcome of ASEAN economic cooperation. He described the result as "mediocre or worse."

The statement of a prime minister must not be taken lightly. As a rule top government officials do not criticize cooperation efforts with neighbouring nations, and they frequently try hard to maintain an optimistic tone. Why has Mahatir failed to adopt such an attitude? And to which country has he actually directed his criticism?

That the result of cooperation between ASEAN countries has not been so much thus far, is no longer a secret. The main reason is the economic nationalism shown by the respective members. Each of them wants to uphold its own self reliant national economy. Malaysia is in this case no exception. Mahatir himself is well known as a champion of an automobile project in Malaysia, the feasibility of which is doubted by many circles. This is understandable as the Malaysian market is not vast, and where are such cars supposed to be exported later on? Indonesia also has plans to manufacture its own automotive products.

In general Indonesia is reputed as the most protectionistic country in carrying out its industrial development. Indonesia wants to make advancements and utilize its domestic market as the main asset, because of its very great potential.

ASEAN economic cooperation is in fact still young, with the declaration being made at the Bali Summit only in 1977. In practice the progress has taken place only step by step. The target of developing a Common Market, such as the one in Europe, was flatly turned down at an early stage, among others by Indonesia. As an alternative system it was agreed to boost trade cooperation on the basis of preferences given to fellow ASEAN members. It means that trade items from ASEAN neighbours entering the other member countries are granted tariff reductions.

In the field of investments there are five big ASEAN projects undertaken by the respective governments, with a share of financing by the Japanese Government. An example is the ASEAN fertiliser project in Indonesia and Malaysia. In the other ASEAN countries such as industrial cooperation project has not been realised because its preparation is not mature yet. In the private sector there is already an agreement on ASEAN Industrial Joint Ventures (AIJV), but the first projects are still being processed. The products of such AIJV projects will enjoy a 50-percent tariff cut upon entering participating countries.

Both PTA and AIJV have not made much progress in practice, though in theory 18,000 trade items have been granted tariff reductions under the preferential trading arrangements.

At the latest ASEAN minister meeting in Singapore, Minister Tony Tan stressed that the ASEAN governments have finished their homework, viz. drawing up the framework of regulations concerning PTA and AIJV. Now it is up to the private sector to benefit from the opportunities in trade and investments, and to turn this cooperation into reality. The statement of this Singapore minister bears some truth. The private sector, and the ASEAN Chamber of Commerce and Industry, should work hard to implement the framework already created by their governments.

However, the realisation was apparently unsmooth, and it is not clear where the trouble lies, possibly private businessmen are not so interested in shifting part of their trade and economic ties from their traditional partners in industrialised countries to their neighbours. The incentives offered may be less appealing because the flow of trade between ASEAN countries is still facing other hindrances such as the expensive transportation, financing, advertising and so forth. One may indeed have to be patient to await real growth of this cooperation endeavour.

In general ASEAN economic cooperation is more successful to face third parties collectively, for instance in the case of trade negotiations. But even in this respect Mahatir seems to have been greatly disappointed. He has also been disappointed by the responses of dialogue partners (United States, Europe, Japan, Australia, Canada and New Zealand), because these industrialised countries have talked more than seriously lending a hand to expand trade.

It was reported that William Brock of the United States brought a U.S. proposal to Kuala Lumpur offering to ASEAN reciprocal free trade with the United States, as already realised between the United States and Israel, and others. If this is true, ASEAN may also first consider, will this be favourable? Usually developing nations with a low level of industrialization will be suspicious against any economic cooperation without discrimination, because they fear that the strong party will always win. But it is better to think it over seriously. If we have to trade under the current status quo in the world, where shall we sell our non-oil/gas products whose exports have to double in 5 years? We need markets. A country like the United States naturally also seeks guaranteed markets. It will also demand the entry of their goods and services into ASEAN and Indonesia without major impediments.

Such a U.S. proposal may be harmful to our industrial growth. Nevertheless, this is worth studying and serious thinking instead of rejecting it a priori. In the face of a difficult situation and prospect, a mere conventional way of thinking should be avoided.

PROBLEMS IN TRANSMIGRATION PROGRAM DESCRIBED

Jakarta ANTARA NEWS BULLETIN in English 13 Feb 85 pp A6, A7

[Text] Jakarta, 12 Feb (ANTARA)--The implementation of transmigration program in the first and second years of the Fourth Five-Year Development Plan (Repelita IV) is unsmooth owing to nine problems that should be overcome.

"Among the nine problems are unspent development budget, rehabilitation of transmigration program and organization in the body of the Transmigration Ministry," Transmigration Minister Martono said in a working conference with commission IV led by its chairman, Warnohardjo SE at the Senayan DPR/MPR building, here Tuesday.

Touching on unspent development budget, Martono said the transmigration budget is much dependent on the level of the annual implementation and program completion that had been stipulated and underlined including the period needed to meet the target.

"So the unspent development budget for the year concerned cannot be regarded as unspent development budget, because it valid for two or three years ahead, which is dubbed a current implementation year," he stated.

Unspent development budget for the 1982/1983 year amounted to Rp 53,442,331,461 and the maximum value of project list was recorded at RP 482,690,662,540 or 11 percent of SIAP. The budget can still be used for the 1985/1986 year so as to lower the percentage.

Concerning the rehabilitation, he went on to say, for the 1985/1986 fiscal year there are five locations available and for the 1984/1985 year revised project list for the 1983/1984 will be used to handle 16 locations, and also the 1983/84 development budget remainder already cashed will also be used for five location.

For the 1985/1986 fiscal year, the budget amounting to four billion rupiah will be used to tackle 15 locations, and the whole locations that need rehabilitation are around 67.



Martono also explained that as a newly set up ministry, it still needs consolidation in its body, besides improvement in the quality of the apparatuses carrying out their tasks.

The realization of the resettlement of transmigrants in the first year of Repelita IV, according to Martono, at the end of January 1985, reached 81,328 families or around 267,676 people, far below the target set at 125,000 families.

Touching on preparation in the first year of Repelita IV he said the government was preparing 222 locations scattered over 20 provinces.

CSO: 4200/578

DR RIDWAN SAIDI ON NU MEMBERSHIP IN PPP

Jakarta PELITA in Indonesian 14 Jan 85 pp 1, 8

[Article: "Dr Ridwan Saidi: I Am Convinced That Naro Never Said NU Members Are Automatically Members of PPP"]

[Text] Jakarta, PELITA--Dr H. Ridwan Saidi, chairman of the Department of Organization, Membership, and General Elections of the PPP [Development Unity Party], is convinced that Master of Laws H. J. Naro, general chairman of the Central Executive Council of the PPP, never said that members of the NU [Muslim Scholars] are automatically members of the PPP.

He expressed this conviction to the press on 12 January in connection with a statement made by H. Abdurrahman Wahid, chairman of the Executive Committee of the NU, that NU members are not automatically PPP members.

Commenting on the Abdurrahman statement, Ridwan Saidi said: "Abdurrahman Wahid is denying something which was never said by anyone. The name for that is 'unfair debate.'"

In their issues published 11 and 12 January Jakarta daily newspapers carried a report that H. Abdurrahman Wahid, after a joint meeting of the Daily Executive Committees of the NU Advisory and Executive Councils held early on the morning of 11 January at Jombang [East Java], stated, among other things: "If someone claims that members of the NU are automatically members of the PPP, in accordance with the 1973 declaration by the NU Executive Committee, the NU National Congress held in Situbondo [East Java] in 1984 clearly stated that NU members are not automatically PPP members."

Dr H. J. Naro, general chairman of the Central Executive Council of the PPP, stated in Pontianak [West Kalimantan] on 8 January that the NU was one of the four Islamic political parties which joined together 12 years ago in forming the PPP. (The four parties were the NU, PARMUSI [Indonesian Muslim Community Party], SII [Indonesian Islamic Federation], and PERTI [Islamic Educational Movement].) Up to the present the NU has not broken off its relations with the PPP. The Central Executive Council of the PPP has never received a formal letter from the NU leadership declaring that that organization was leaving the PPP or breaking off relations with it.

Ridwan Saidi stated that members of constituent elements of the PPP (the NU, SII, PARMUSI, and PERTI) which had joined together in forming the PPP were potential members of the party. However, to become effective members, they must first register their names and then obtain a member's number and a Membership Card (KTA).

According to Ridwan Saidi, the relations of the PPP with the NU have continued to be good, up to the present. Indeed, discussions are still going on.

Regarding the question of those who hold positions in both the NU and the PPP, he said that this is no problem for the PPP itself, but is rather a question for the NU itself.

#### Hiding Away

Ridwan Saidi said that the response of the people to PPP membership has been very positive up to now. Since 5 January 1985 the Central Executive Council of the PPP has received each day an average of 10 letters asking for information on becoming members of the party. The people showing this response are from the middle and lower classes. Meanwhile, members of the elite continue to ridicule the PPP, as they did in 1982.

In 1982 thinkers and intellectuals expressed a low opinion of the PPP, and they continue to hold this view now.

When reporters asked Ridwan Saidi for an example of this attitude among intellectuals, he said there were many examples, but he was not prepared to mention one directly.

According to Ridwan Saidi, middle and lower class people clearly do not reflect the thinking among the intellectuals. He said: "These intellectuals are generally Muslims." He repeated: "They say they hold the same basic principles, but they repeatedly ridicule the political parties which have a Muslim label."

He added that in 1982 Muslim intellectuals made predictions about the PPP, but it turned out that their predictions were wrong. He said: "I call on the Muslim intellectuals to join the middle and lower class community. Don't hide away in ivory towers from which statements are issued which do not reflect actual developments among the people as a whole."

5170

CSO: 4213/153

## INDONESIA

### IRANIAN AMBASSADOR ON TRADE IMPROVEMENT

Jakarta ANTARA NEWS BULLETIN in English 11 Feb 85 p A10

[Text] Jakarta, 11 Feb (ANTARA)--Iran with its 42 million population is a good market for Indonesia, Iranian Ambassador to Indonesia Abdlazim Hashemi Nik said in a press conference Monday in commemoration of the sixth anniversary of the Islamic Republic of Iran.

"That makes Iran the biggest market in the Middle East," he added.

To further improve trade between the two countries which today stands at around US\$50 million, both countries have carried out exchange of delegations starting 6 years ago, according to Ambassador Nik.

He also mentioned the visit of Indonesia Trade Minister Rachmat Saleh and party to Iran about 3 months ago.

Indonesia, he further stated, could obtain satisfactory quotas from Iran for its various commodities, such as wood, textile, tea and rubber.

Iran on the other hand offers to sell its commodities of caviar, carpet, beans and fresh fruit.

### Obstacles

Shipping and the long distance are the two obstacles in the trading activity of the two countries, according to Nik.

Shipping is still a problem to Indonesia which is forced to use other countries' shipping facilities to carry its commodities to Iran.

Iran is not quite satisfied with the above fact since it hopes that the trade benefits both Iran and Indonesia, not other parties.

"Iran therefore offers its ships to ensure the safety of Indonesia's commodities," he further stated.

The long distance is admitted as a hindrance though not as worrying as the shipping problem, he added.

CSO: 4200/577

TRADE-POLITICS DIVIDING LINE IN TRADE WITH PRC DISCUSSED

Jakarta BUSINESS NEWS in English 13 Feb 85 p 2

[Editorial: "The Ties With PRC: A Dividing Line Between Trade and Politics"]

[Text] The government has concluded that direct trade relations with PRC can be resumed. On the other hand, political and diplomatic relations remain frozen.

Indirect trade ties have frequently taken place through Hong Kong and Singapore. The volume of two-way trade has reached hundreds of millions of dollars. In this trade PRC has exported a lot more to Indonesia than the other way around. The main reason may be the low prices, or high competitiveness of goods from PRC.

As Indonesia is trying hard to increase non-oil/gas exports, the PRC market should be given more consideration. If we want to promote exports to PRC, is the indirect trade channel already sufficient, or will direct trade relations with PRC boost our exports even more? Our rivals in exports, such as Malaysia, Thailand, Singapore, the Philippines, etc., have all utilised direct and official ties to promote their exports.

In the effort to expand our export market Indonesia has consolidated new marketing grounds such as the Soviet Union, East Europe, the Middle East, etc. The minister of trade, the coordinator minister for economy, finance and industry, as well as the minister of foreign affairs have joined to pave the way for this purpose. The biggest portion of our exports will remain absorbed by the traditional markets such as the United States, Europe and Japan, because these are the wealthiest. But in expanding and promoting non-oil/gas exports we should not overlook the other markets. Though the trade volume of each of them is not so big, total exports will be fairly significant.

With PRC our indirect exports at present still involve less than US\$ 100 million, and this is very likely to further increase, both in the group of traditional commodities (rubber, coffee, pepper, palm oil, etc.), and in industrial products (building materials, fertilizer, chemicals, fine textile, etc.). PRC potentially more constitutes our rival on the world market, but today it needs bigger imports because PRC is stepping up its development efforts and has abandoned its tough policy of autarchy.

The question is that we are not yet prepared to resume political and diplomatic ties, so that our ministers cannot negotiate trade agreements. Hence Kadin Indonesia is allowed to pioneer the resumption of these direct trade relations, on the condition that it should in no way interfere with political affairs.

Executives of Kadin Indonesia have succeeded in making contacts, and started discussing terms and facilities to carry out direct trade, such as matters related to visas for trade visits, banking affairs and methods of import/export payments, representative offices handling this trade, etc. All such things are not required in the trade through third parties. However, if direct trade is supposed to be maintained, such matters have to be settled and certain agreements or consensus have to be reached.

Trading with socialist or communist countries also means dealing with state companies or government agencies. Chambers of commerce in socialist countries also constitute government arms. So Kadin Indonesia, now opening the path towards this direct trade cannot avoid dealing with semi-governmental agencies or directly with their government to achieve consensus on the arrangement of the trade relations.

In this way the dividing line prohibiting any interference with political affairs becomes vague, and depends on criteria and interpretations. Representatives of Kadin Indonesia establishing contacts with the PRC side will bear the great risk of "interfering with political affairs," if the government of Indonesia does not use loose interpretations with regard to politics and diplomacy.

In fact, the presence of regular efforts to change a situation or order between two nations in itself constitutes a political action. If Indonesia adopts the policy to maintain direct trade with PRC, which previously was not allowed, this already means a political decision, and Kadin Indonesia carrying out the "diplomacy" cannot avoid political affairs either. If Kadin is not permitted to make political interventions, it should be prohibited to do anything that will reorder this direct trade (involving shipping, visas, representative offices, visits, payments, etc.). If such were the case, then it would be better to let the trade ties proceed through third parties, and to continue the status quo.

CSO: 4200/576

INDONESIA

POLITICAL, ECONOMIC DEVELOPMENT SEMINAR WITH SRV

HK180800 Hong Kong AFP in English 0727 GMT 18 Feb 85

[Text] Jakarta, 18 Feb (AFP)—Indonesia and Vietnam today opened a seminar on political and economic development here, despite cool relations over renewed clashes in Cambodia and a territorial dispute.

Cambodia, where Vietnamese troops are battling guerrillas, is expected to be discussed, sources said.

The seminar is likely to take note of an Association of Southeast Asian Nations (ASEAN) meeting in Bangkok last week, which called for international military assistance for the guerrillas, they said.

ASEAN member Indonesia is the main intermediary between Vietnam and the grouping, whose other members are Brunei, Malaysia, the Philippines, Singapore and Thailand.

Observers here said Indonesia had slightly stiffened its attitude towards Vietnam following the apparent failure last year of a number of overtures to solve the Cambodian conflict.

Bilateral talks last year about the continental shelf north of the Indonesia Natuna islands in the South Sea, claimed by both countries, also failed to produce agreement.

The first Indonesia-Vietnam seminar was held last year in Hanoi.

The three-day seminar is expected to emphasize the Southeast Asian region but will also cover global political and economic issues, sources said.

It is sponsored by the semi-official Indonesian Centre for Strategic and International Studies (CSIS) and the Vietnam Institute of International Studies.

CSO: 4200/560

## INDONESIA

### INDONESIA TO BECOME WORLD'S LARGEST HARDWOOD EXPORTER

Jakarta KOMPAS in Indonesian 18 Jan 85 p 2

[Excerpts] Jakarta, KOMPAS--The prospects for selling lumber are very good. By the end of the Fourth 5-Year Plan Indonesian will be the largest exporter of hardwood lumber in the world. This was stated by the Indonesian Sawmillers Association (ISA) on 17 January.

The meeting between leaders of the ISA and officials from the Directorate General of Forest Enterprises, the Directorate General of Foreign Trade, the Directorate General of Miscellaneous Industry, and of the National Export Development Board, which was held some time ago, also decided that exports of lumber during the Fourth 5-Year Plan should be expanded.

The target for the production of lumber in the first year of the Fourth 5-Year Plan (fiscal year 1984-85), which was 8.9 million cubic meters, has been raised to 12.1 million cubic meters by the end of fiscal year 1988-89. The target for exports of lumber has also been raised from 2.5 million cubic meters in 1984-85 to 3.7 million cubic meters by 1988-89, or an average increase of 10.3 percent per year.

The world market for lumber in 1983 (the last year of the Third 5-Year Plan) was 5,762,000 cubic meters. With an annual increase of 2 percent in the absorptive capacity of the world market, by the end of the Fourth 5-Year Plan the world will be able to absorb 6,363,000 cubic meters of lumber.

In view of this large absorptive capacity of the world market, Indonesian exports of lumber by the end of the Fourth 5-Year Plan will amount to 3.7 million cubic meters, and Indonesia will account for 58 percent of the world market. The remaining lumber will come from Malaysia, Singapore, and the Philippines.

Rather Difficult

The effort to increase lumber exports during the Fourth 5-Year Plan, with an average annual increase of 10.3 percent, seems rather difficult. Experience during the Third 5-Year Plan showed that the increase in our exports of lumber



was only 6.55 percent per year. In 1979, at the beginning of the Third 5-Year Plan, exports of lumber amounted to 1,341,812 cubic meters, and by the end of the plan in 1983 they only amounted to 1,729,842 cubic meters.

Further, raw material for lumber in the form of logs from well-known types of trees such as damar [a resinous hardwood], meranti [Indonesian mahogany], rammin and pulai [Indonesian hardwoods], kapur [camphor wood], keruing [genus Dipterocarpus], and teak is beginning to become scarce. Furthermore, some of these types of wood are also being used as raw material for plywood.

Although the government has often stated that the timber potential in the forests is still enough to meet industrial raw material needs on a continuing basis, the location of the timber is far into the interior of the country, and the cost of obtaining it is high. The types of timber included in this calculation are also woods which are not particularly well-known in the market.

An increase in lumber production at present is still limited because some of the machinery used in the lumber industry is rather old, having been in service for more than 10 years. In addition, many lumber mills are not yet equipped with wood working and moulding machinery and other, similar machinery.

5170

CSO: 4213/153

# INDONESIA

## STEEL PRODUCTS EXPORT PROJECTION

Jakarta BUSINESS NEWS in English 1 Feb 85 p 10

[Text] The target of concrete iron exports from Indonesia has been set at 150,000 tons for 1984 and 190,000 tons for 1985. Indonesia's exports of wire rods have been projected at 50,000 tons/year in 1984 and 1985. The projection of steel plate exports is 150,000 tons for 1984 and 200,000 tons for 1985.

The designed capacity, projected production and consumption of concrete iron, wire rods and steel plates in 1983, 1984 and 1985 as follows: (tons)

	1983	1984	1985
Concrete iron:			
Designed capacity	1,200,000	1,200,000	1,200,000
Production	725,000	1,026,000	1,128,000
Domestic consumption	700,000	876,000	938,000
Wire Rods:			
Designed capacity	416,000	416,000	416,000
Production	280,000	320,000	340,000
Domestic consumption	216,000	270,000	290,000
Steel plates:			
Designed capacity	1,000,000	1,000,000	1,000,000
Production	241,000	400,000	650,000
Domestic consumption	225,000	250,000	450,000

CSO: 4200/576

# GDR TO PROVIDE EXPORT CREDITS

Jakarta BUSINESS NEWS in English 6 Feb 85 p 6

[Text] To support the promotion of trade relations between German Democratic Republic and the Republic of Indonesia, the East German Government provides export credits worth US\$150 million/year, H. J. Bantow, vice commercial counselor of the East German Embassy here, disclosed recently.

East Germany is interested and prepared to participate in the handling of development projects in Indonesia in the current Pelita IV (Fourth Five-Year Development Plan), particularly in machine tool, food, textile, transportation, mining, energy and agricultural industries.

The Commercial Counsellor of the East German Embassy, J. Kupfer, meanwhile expressed concern over the lessening of trade activities between Indonesia and his country. The volume of bilateral trade between the two countries sharply fell from US\$27 million in 1980 to only US\$9 billion in 1984, he pointed out.

Last year, East Germany imported rubber, tobacco and spices worth US\$6 million from Indonesia, and Indonesia imported machinery and various kinds of equipment worth US\$3 million from that East European country.

East German trade with Indonesia showed a considerable decrease in 1984, while on the other hand that socialist country made a big achievement in trade last year, the biggest since the establishment of that state 35 years ago, Kupfer said.

Increases occurred in various economic sectors, and East German foreign trade has rapidly developed, according to Kupfer. The volume of East German foreign trade rose from US\$48 billion in 1980 to US\$55 billion in 1984, he added.

Kupfer voiced the need to step up contacts between government officials to promote trade relations between East Germany and Indonesia. He pointed out that in the effort to increase trade relations between the two countries, Indonesia Minister of Ekuin (Economic, Financial and Industrial Affairs) Ali Wardhana visited his country last year and, in the same year, East German Deputy Minister of External Trade Schwierz and Deputy Foreign Minister Konig visited Jakarta.

He expressed the hope that Indonesian businessmen would have the opportunity to visit the Leipzig Spring Fair to take place in Leipzig from 10 through 16 March 1985. Around 9,000 participants from the industrialized countries and the developing countries will show capital goods and consumer goods in the fair, he said.

Indonesian businessmen/exporters are expected to take part in the Leipzig Autumn Fair to take place in Leipzig from 1 through 7 September 1985, under the coordination of BPEN (National Agency for Export Development), according to Bantow.

CSO: 4200/576

FERTILIZER INDUSTRY TO SUPPORT EXPORT PROGRAM

Jakarta ANTARA NEWS BULLETIN in English 9 Feb 85 p A1

[Text] Jakarta, 8 Feb (ANTARA)--The total installed capacity of Indonesia's fertilizer industry will this year surpass the national need so that the industry would be set to support the national export program, Director General of Basic Chemicals Ir. Sidharta said Thursday.

Ir. Sidharta said with the completion of the Iskandar Muda Fertilizer Plant in Lhok Seumawe the combined installed capacity of the nation's fertilizer industry would reach 4.47 million tons annually.

This year Indonesia would need only 3.5 million tons of fertilizer.

Ir. Sidharta said the surplus production would be exported.

He said the total installed capacity would still be increased in coming years in step with increasing domestic need.

He said the total installed capacity would come to 5.02 million tons a year by 1987-1988 while the domestic need during that year would already reach 4.3 million tons.

Construction of the Iskandar Muda Fertilizer Plant was started in March 1982. It was completed in December last year.

CSO: 4200/577

## JAPAN LOWERS IMPORT DUTIES ON PLYWOOD, SHRIMP

Jakarta BUSINESS NEWS in English 8 Feb 85 p 3

[Text] The Japanese Embassy here announced Thursday that the Japanese Government had decided to cut import duty on plywood no less than 6 mm thick from Indonesia from 19.3 percent to 17 percent and softwood plywood from the United States to 15 percent.

In its decision made on 14 December 1984, the Japanese Government will also lower import duty on shrimp from 3.4 percent to 3 percent. The new rate of the import duty on those commodities will be made effective from April 1985.

Japan's imports of plywood from Indonesia in the first 9 months of 1984 showed an increase of 600 percent compared with those in the corresponding period of 1983. The detail of Japan's plywood imports from Indonesia in 1982, 1983 and 1984 is as follows: (in million yens)

Year	Plywood of less than 5 mm thick	Plywood of at least 6 mm thick	Total
1982	173	87	260
1983	255	558	813
Jan-Sep	199	270	469
1984 (Jan-Sep)	935	1,877	2,812

CSO: 4200/576

PELNI TO BUY MORE SHIPS FROM FRG

Jakarta BUSINESS NEWS in English 1 Feb 85 p 9

[Text] The Indonesian state-run shipping company PT PELNI has decided to buy two more passenger ships from West Germany. A contract for the building of PELNI's fifth and sixth new passenger ships was signed on 29 January 1985, by Director General for Sea Communications J. E. Habibie, representing the Indonesian Government, and Bernhard Mayer, managing director of Jose I. Mayer Gauth & Co.

Previously PELNI bought four new passenger ships from that West German ship building company. Three of the vessels, namely MS Kerinci, MS Kambuna and MS Rinjani, have been completed, and another vessel, MS Umsini, is now still under construction.

These fifth and sixth new passenger ships of PELNI will be smaller than the four other vessels bought from the same dockyard, as they will be operated to serve routes that connect small seaports, according to J. E. Habibie.

Each of the fifth and sixth passenger ships (650 Grt) will be able to carry 920 passengers and has an average speed of 14 knots. The vessel, 99.80 m long and 18 m wide, will be equipped with first class rooms for 14 passengers, second class rooms for 40 passengers and economic class rooms for 866 passengers.

The fifth vessel will be completed in 18 months and the sixth vessel in 22 months.

The fifth vessel will serve the routes of Tanjung Priok-Muntok-Kijang (Tanjung Pinang), and Belawan-Kijang-Muntok-Tg. Priok-Kijang-Pontianak-Kijang-Tanjung Priok. The sixth vessel will be operated for the route of Tanjung Perak (Surabaya)-Banjarmasin-Tanjung Perak-Balikpapan-Makasar-Pare Pare-Tolitoli-Tarakan-Tolitoli-Pare Pare-Makasar-Balikpapan-Surabaya. Each round trip to be made by those vessels for these routes will take two weeks. The two passenger ships are worth DM131,142,000.

LNG PRODUCTION FIGURES

Jakarta BUSINESS NEWS in English 8 Feb 85 p 7

[Text] The production of liquefied natural gas (LNG) from the Arun and Badak gas plants in the first 10 months of 1984 reached 12,838,638 cu.m. and 12,931,821 cu.m. respectively.

If in November and December 1984 the production of LNG from Arun and Badak reached around 2.4 million cu.m., the production of LNG in Indonesia last year stood at about 30.5 million cu.m., the biggest compared with 19,372,433 cu.m. in 1981, 20,165,904 cu.m. in 1982 and 21,179,944 cu.m. in 1983.

Indonesia's production of LNG from 1981 to October 1984 is as follows:



Year	Arun		Badak		Total	
	Cu.m.	10 <sup>6</sup> BTU	Cu.m.	10 <sup>6</sup> BTU	Cu.m.	10 <sup>6</sup> BTU
1981	10,517,838	255,457,249	8,854,595	209,411,172	19,372,433	464,868,421
1982	10,905,589	264,874,946	9,260,315	219,006,450	20,165,904	483,881,396
1983	11,454,256	278,200,970	9,725,688	230,012,521	21,179,944	508,213,491
1984:						
January	1,300,773	31,520,428	1,135,971	26,886,073	2,436,774	58,406,501
February	1,218,230	29,520,253	1,335,946	31,619,080	2,554,176	61,139,333
March	1,247,625	30,232,550	1,285,862	30,433,675	2,533,487	60,666,225
April	1,241,605	30,156,094	1,426,373	33,733,718	2,667,978	63,889,812
May	1,093,177	26,492,711	1,074,592	25,435,352	2,167,769	51,928,063
June	1,254,431	30,467,620	1,232,372	29,145,598	2,486,803	59,613,218
July	1,384,458	33,625,716	1,475,698	34,900,258	2,860,156	68,525,974
August	1,405,342	34,132,947	1,284,122	30,369,485	2,689,464	64,502,432
September	1,204,795	29,262,061	1,221,370	28,885,401	2,426,165	58,147,462
October	1,443,202	36,145	1,459,515	34,517,528	2,947,717	70,662,978
Total	12,838,638	311,355,830	12,931,821	305,926,168	25,770,459	617,481,998

# AGGRESSIVE MARKETING EFFORTS ON JAPANESE OIL MARKET URGED

Jakarta ANTARA NEWS BULLETIN in English 9 Feb 85 p A5

[Text] Tokyo, 8 Feb (ANTARA)--To maintain oil exports to Japan, Indonesia must be more aggressive in its marketing efforts in the country, according to oil importers in Tokyo, Friday.

Executives of the Far East Oil Co. (FEOC) and Japan Indonesia Oil Company (JIOC), which handle imports of Indonesian oil and gas to Japan, reminded the continuing drop either in volume or value of Indonesia's oil exports to the country.

They also indicated that the present oil market condition was not favourable because of an oil glut on the free market, a dumping action by some oil producer countries and Japan's success in procuring an alternative energy and making oil stock-pilings.

"Besides, China at present must also be accounted for. Formerly, China's position was not counted," said an FEOC executive.

China which previously exported only 100,000 barrels a day, now sells 200,000 barrels, more than half of Indonesia's estimated oil exports to Japan.

For example, in 1981, Indonesia's exports of crude oil to Japan stood at 36.082 million kiloliters worth 1.817 trillion yen, while China's exports only reached 10.288 million kiloliters worth 515.9 billion yen.

In 1982, Indonesia's oil exports to Japan dropped to 32.184 million kiloliters worth 1.796 trillion yen, while China's oil exports stood at 10.592 million kilolitres worth 580.27 billion yen. In 1983, Indonesia's oil export were down further to 29.131 million worth 1.364 trillion yen whereas China's oil exports totalled 10.8 million kiloliters worth 494.7 million yen.

In 1984, up to November, Indonesia's oil exports to Japan stood at 25.8 million kiloliters worth 1.139 trillion yen, while China's exports totaled 11.857 million worth 509.77 billion yen.

The figures showed a downward trend of Indonesia's oil exports to Japan, and on the other hand, a rising trend of China's oil exports.

He said it was important to count the Chinese factor considering China always sold their oil at prices lower until US\$1 to Japan compared with Indonesia's oil prices.

In view of the counter-trade, China is now launching its modernization of economy in which there is a substantial flow of Japanese goods and capital in the country.

Besides, for Japanese refiners, the difference between light and heavy crudes is at present not a decisive factor.

The oil observers admitted that the matter of Indonesia's oil exports to Japan will not be free from political issues and relations between the two countries, although economic considerations cannot be put aside, even if it is important.

They stressed the importance of Indonesia's more aggressive efforts to overcome the problem and appreciated the recent move by newly-assigned President Director of Pertamina Rachman Ramly to choose Japan as the first country he visited in promoting Indonesia oil on the overseas markets.

Rachman Ramly last August flew to Japan and met with oil purchasers there to set up open talks concerning oil trade. According to the oil importers in Japan, his kind of meetings must often be conducted to promote Indonesian oil.

CSO: 4200/577

SUBROTO ON VAT ON FUEL OILS, COAL EXPORT

Jakarta ANTARA NEWS BULLETIN in English 12 Feb 85 p A6

[Text] Jakarta, 12 Feb (ANTARA)--The state would earn about Rp.500 billion in value added tax (VAT) on fuel oils in 1985/1986 assuming that consumption in that particular year stands at 27 million kilolitres.

This was stated by Minister of Mines and Energy Subroto to the press after installing the supervising board of Perum Batubara and Gas Negara (state-owned coal and gas corporation) at his office here Tuesday.

Coal Export

Subroto further disclosed that the Ombilin coal mine in West Sumatra produced 583,000 tons in 1984, 400,000 tons of which were exported to Taiwan, Malaysia, and Bangladesh at US\$37 per ton FOB from Telukbayur port, Padang.

In 1985, the mine is expected to produce 750,000 tons, and the export of the mineral would also be increased.

He admitted that Indonesia in its coal exports was facing competition from Australia and Africa.

Indonesia plans in February or March to import coal from Australia for the diesel electric power generating complex in Suralaya, West Java.

The imports would be temporary and would amount to 400,000 tons in the first stage pending the completion of the Bukit Asam coal mine facilities for supplying the Suralaya generator the coal it needs.

The Suralaya generator is scheduled to go into service in August this year.

Subroto said the members of the newly installed board have the task of giving views and suggestions to the minister on work programs and the budget of the coal and gas corporation, including changes proposed to the management.

CSO: 4200/577

PERTAMINA TO INTRODUCE NEW, CHEAPER OIL GRADE

Jakarta ANTARA NEWS BULLETIN in English 12 Feb 85 p A3

[Text] Tokyo, 12 Feb (ANTARA/REUTER)--Indonesia's state oil firm Pertamina is expected to introduce soon a new grade of blended crude oil with a government selling price (GSP) of 27.40 dollars a barrel, Japanese oil industry sources said.

The new grade, to be called Sumatran Medium, will be of similar quality to Pertamina's benchmark crude oil, Minas (Sumatran light), currently priced at 28.53 dollars a barrel, the sources said.

They said the move is an attempt to increase sagging exports and follow last month's one dollar cut in Minas GSP after OPEC revised its price structure.

Pertamina is also expected to propose to Japanese importers a quarterly exchange of information on topics including crude prices and demand, the sources said.

But an official of a major importer of Indonesian crude said this will not mean a quarterly review of prices.

An official at a major oil refinery said Japanese importers want to include a clause in their contracts with Pertamina allowing them to phase out crude imports when disagreement over price arises.

Indonesia exported 28.12 million kilolitres of crude oil to Japan in 1984, down from 29.17 million in 1983, according to Japanese statistics.

The sources said this reflected a move by Japanese refiners from Minas to less expensive crudes.

Indonesia is Japan's third largest supplier of crude after Saudi Arabia and the United Arab Emirates, and Japan is the biggest buyer of Indonesia's crude.

CSO: 4200/577

PALM OIL FACTORY TO BE BUILT IN EAST KALIMANTAN

Jakarta ANTARA NEWS BULLETIN in English 13 Feb 85 p A13

[Text] Samarinda, 13 Feb (ANTARA)--A palm oil factory with 80 tonnes pressing capacity per hour, which is aimed at supporting frying oil supply for domestic consumption and export, is scheduled to be built in 1986 in Semuntal, Pasir regency, East Kalimantan Province, 250 kilometres southeast of Samarinda.

This was disclosed by Achmad Badong, head of Pasir regency's public relations office here Tuesday.

PT. Perkebunan VI, according to Achmad Badong, has prepared an area covering 83,000 hectares of nucleus estate and small holders plantation (PIR) for setting up of the factory.

Some 9,000 hectares of the area are prepared for oil-palm cultivation and 3,000 hectares for nucleus estate, he said.

Achmad Badong said that oil palm plantation in plasma estate will immediately turn out palm oil products, so that the local government is currently exploring the possibility to set up a small factory prior to completion of the main factory.

Road infrastructure to support operational facility in the nucleus estate, which connect the factory with villages had been made available, he added.

Apart from that, a seaport is to be built at Teluk Adang, which is located at the beach of Makasar Strait, and an airstrip is being built in Kuaro, 18 kilometers southern part of Semuntai.

CSO: 4200/578

MORE OIL FINDS OFF MADURA

Jakarta ANTARA NEWS BULLETIN in English 15 Feb 85 p A5

[Text] Seoul, 14 Feb (ANTARA/YONHAP)--A South Korean-Indonesian joint oil prospecting team has tapped two more economically viable seabed oil "pockets" in the West Madura area, off East Java, the Ministry of Energy and Resources said here recently.

The two new wells, code-named KE-6-3 and KE-7, are believed to hold reserves of more than 100 million barrels of crude oil each, with daily production potential of 20,000 barrels.

Daily production averages of more than 5,000 barrels of oil or 1 million cubic feet of gas are normally deemed "commercially viable," according to oil experts.

The KODECO Energy Co., the Korean partner in the venture, drilled two test wells in the Madura region last year after having struck commercially viable oil and gas deposits in the KE-2 and KE-3 areas. The two new oil wells are located about 30 kilometers to 40 kilometers north of the KE-2 oilfield.

Reserves of the two new wells are rated larger than those of the KE-2 area, which has proven oil deposits of 22.1 million barrels. The KE-2 field has an average daily production potential of 10,000 barrels to 15,000 barrels, good for more than 8 years of output, a ministry official said.

The official explained that KODECO will sink two confirmation wells around the initial wells this year to verify the extent of oil deposits there. The oilfields are being developed by KODECO in a 50-50 joint venture with the Indonesian state-run oil company, Pertamina.

When production begins, the Indonesian Government will take 50 percent of total output. About 10 percent of the remaining 50 percent will be set aside for production costs, leaving 40 percent for KODECO and Pertamina to share.

After deductions for expenses, KODECO and Pertamina will share the remainder at a ratio of 34 to 60, respectively.

KODECO also has to pay 56 percent of its share in corporate taxes to the Indonesian Government, meaning about 7.5 percent of the total output will be left at KODECO's disposal.

Meanwhile, KODECO has drilled two confirmation wells around the KE-3 gas well and has found that it contains larger gas deposits than estimated.

The KE-3 gas field was thought to hold collectible reserves of 400.6 billion cubic feet of natural gas. This translates into a flow of 100 million to 150 million cubic feet of gas per day for about 12 years.

KODECO plans to invest about 100 million U.S. dollars in the development of a gas well in the KE-3 area between now and early 1987. The well will be financed by the foreign loans.

Gas output from KE-3 will start in early 1987. About 15 percent of production recovered will be at KODECO's disposal. Of KODECO's share, "lean" gas will be sold to Indonesia, while liquefied petroleum gas (LPG) and condensate will go to the Korean company.

The ministry official also revealed that KODECO will begin producing oil in the KE-2 area in July of this year.

The Korean firm will build an offshore oil rig for KE-2 with Pertamina by the end of June with 27 million dollars in loans from a syndicate managed by Citibank of the United States.

Meanwhile, the Korean-Indonesian joint venture will continue its oil and gas search in the Madura seabed. KODECO and Pertamina signed a joint venture agreement in 1981 to drill for oil and gas in the Madura area, covering about 8,000 square kiloeters. [as printed]

CSO: 4200/578



## CANADA OFFERS MINING TECHNOLOGY

Jakarta ANTARA NEWS BULLETIN in English 12 Feb 85 p A-10

[Text] Jakarta, 12 Feb (ANTARA)--A Canadian energy delegation has offered to cooperate in developing mining of Bukit Asam coal in South Sumatra, in particular in the fields of mining technology and mining transportation system.

This was pointed out by PT Tambang Batubara Bukit Asam chief director Ir. (Eng.) C. Situmorang here Monday after his meeting with the delegation, led by the minister of mining, oil and energy resources of British Columbia (West Canada), E.R. MacGregor P. Eng.

Because the offer is still of exploratory character, PT. Tambang Batubara Bukit Asam will refrain from giving any comments, he added.

West Canada is an energy exporter, and according to the delegation they have sufficient experience in coal mining activities.

After Jakarta, they plan to visit Arun.

The Canadian participation in developing mining of Bukit Asam coal, will according to Situmorang be substantial covering various activities, such as cost study, project monitoring coal transportation railway network management and supply of coal carriages. The total Canadian participation value in this project will be around Can\$176.4 million.

### Relatively Small Consumption

According to Situmorang, coal consumption for energy in Indonesia is relatively still small, viz. about the equivalent of two million barrels of oil in 1984/1985. Out of this total consumption the equivalent of 1.2 million barrels came from the Bukit Asam mines.

Compared to the previous years the 1984/1985 consumption showed a sharp increase due to the Suralaya diesel powered electric powerplant in West Java becoming operational.

In 1983/1984 coal consumption as energy source was the equivalent of about 470,000 barrels of oil, in 1983/84 it was only the equivalent of 340,000 barrels, used to supply energy for the cement industry and for steel melting.

The Suralaya diesel powered generating plant's coal requirement is estimated at 105,000 tons per month. The Bukit Asam coal mine can provide about 20,000 to 25,000 tons per month, while the shortage has to be imported.

CSO: 4200/577

SUBROTO URGES ENERGY COOPERATION

OW210405 Tokyo KYODO in English 0352 GMT 21 Feb 85

[Text] Tokyo, 21 Feb (KYODO)--Indonesian Mining and Energy Minister Subroto called Thursday for stepped up regional cooperation in the energy field to attain a stable energy supply.

In a speech here before a symposium on energy and development in Asia, he also emphasized the need "to mobilize financial and technical assistance to develop energy resources endowment in the developing countries."

"In order to formulate a regional energy policy," the Indonesian cabinet minister asserted, "it is imperative that reliable information and projections are available."

Currently chairman of the Organization of Petroleum Exporting Countries (OPEC), Subroto said: "The oil crises of 1973 has clearly shown that regional supply is more secure and loyal than oil from outside the region."

"There may still be an oversupply situation although the present wisdom forecasts a short supply situation," he added.

Subroto spoke on energy resources development in Asia on the opening day of the two-day symposium at the Foreign Ministry.

Regional cooperation in the energy field "is not as easy as they would like it to be," the Indonesian leader warned. Different cultural heritages, traditions, systems of government and other factors are closely related to regional cooperation.

"We have learned from ASEAN how difficult it is to come to terms of general interest," Subroto pointed out. But he was quick to add that the Association of Southeast Asian Nations (ASEAN) has taken several initiatives such as a petroleum sharing scheme and a study on common coal infrastructure facilities.

ASEAN is made up of Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei.

Yi Pong-su, South Korea's vice energy and resources minister, stressed that "a proper mix of competition and cooperation within and between groups" would produce a greater economic well-beings of the Asian countries.

He criticized the take-or-pay clause in liquefied natural gas (LNG) contracts as being "too restrictive" and "one of the least desirable ways to protect producers' interests."

In the long run, the clause "reduces competitiveness of LNG in the end-use market and thus will harm the future market potential for LNG," Lee argued.

The symposium, cosponsored by the Foreign Ministry and the Federation of Economic Organizations (Keidanren), is being attended by government and business leaders of Australia, Indonesia, South Korea, Thailand, the United States and Japan.

CSO: 4200/579

## SURALAYA POWER PLANT TO START OPERATION IN FEBRUARY

Jakarta BUSINESS NEWS in English 1 Feb 85 p 7

[Text] The construction of Unit I of the Suralaya thermal power station in Merak, West Java, has been completed and the trial operation of the power generating station has been underway for several months.

According to the spokesman of the Mining and Energy Department, Unit I of the Suralaya power plant will start commercial operation in February this year.

The preparation of the project started in April 1978 and the construction work started in 1981. Units I and II of the Suralaya power plant will have a dual firing system. This means the two power generating units can be operated by either coal or oil.

The construction of Unit II of the project is now still in progress. This unit, which will have a capacity of 400 MW, will start commercial operation in August this year.

Units I and II of the Suralaya power plant are expected to be entirely completed at a total cost of US\$673,474,000 consisting of funds from domestic and foreign fund sources.

Each of Unit I and Unit II of the plant will need 170 tons/hour or 4,080 tons/day of coal from the Bukit Asam coal mine in South Sumatra. If imported coal is used, each unit will need about 150 tons/hour or 3,600 tons/day. If the plant is operated by oil, the need for oil supply will reach about 90 tons/hour or 2,160 tons/day. Over 60,000 tons of coal is presently available at the Suralaya terminal.

Imported coal will be needed for the operation of the Suralaya power plant because the delay in the completion of the Bukit Asam coal mine and the completion of railway facilities which will serve the transport of coal from the coal mine to the plant.

Negotiations on the supply of coal from Australia are now still underway. The Indonesian Government has agreed to buy coal from Australia for around two or three years. A coal storage terminal available in Suralaya has a capacity of 1,000,000 tons.

When entirely completed, the Suralaya power plant will have a capacity of 3,000 MW. An MFO storage terminal available in Suralaya has a capacity of 33,000 kilolitres.

The plant is equipped with an anti-pollution system. Unit I and Unit II of the plant are expected to be inaugurated before the end of this year.

CSO: 4200/576

ADB ASSISTANCE FOR IRRIGATION PROJECTS

Jakarta BUSINESS DAY in English 6 Feb 85 p 6

[Text] Indonesia's efforts to increase food crop production through efficient irrigation systems in less developed regions will be supported by a technical assistance grant from the Asian Development Bank.

The technical assistance will finance the services of an internationally-recruited consulting firm to carry out a feasibility study of a proposed Irrigated Command Area Development Project under some of the existing irrigation systems in the islands of Kalimantan and Sumatra. In addition, a local consulting firm will be engaged to prepare Project Benefit Monitoring and Evaluation benchmark information to be used by the feasibility study team.

The project to be prepared under the technical assistance is designed to increase on-farm level irrigation efficiency and improve land use and crop diversification in selected irrigation projects located in six provinces: East Kalimantan, South Kalimantan and West Kalimantan in Kalimantan Island and Riau, Bengkulu and Lampung in Sumatra. In contrast to the well-developed irrigation systems in Java, many of those in the project area are poorly developed or lacking in important components.

From the broad reconnaissance survey to be carried out in about 80,000 ha of irrigated land in the project area, specific areas will be selected for the feasibility study.

The main activities of the technical assistance will be a critical review of the irrigation and water-distribution facilities in the project area, an assessment of land use and identification of institutional deficiencies.

The Executing Agency for the technical assistance will be the Directorate General of Food Crops Agriculture (DGFA) in the Ministry of Agriculture which has already implemented, as a co-executing agency, a number of bank-financed irrigation projects.

## INDONESIA

### POSSIBLE USE OF SOGOSHOSA GOOD SERVICES DISCUSSED

Jakarta ANTARA NEWS BULLETIN in English 8 Feb 85 p A3

[Text] Tokyo, 8 Feb (ANTARA)--The possibility of using the good services of Japan's Sogoshosa (trading house) to enhance Indonesia's non-oil and non-gas exports in the world market, was discussed recently by Minister of Trade Rachmat Saleh and the Sogoshosa side in Tokyo.

Minister Radius who made a stop over in the capital city of Japan on his way back home from New York, had had talks with several giant corporations such as Mitsubishi, Mitsui, Marubeni, C. Itoh and Tokyo Menka.

These corporations had expressed readiness to help increase Indonesia's non-oil and non-gas exports to Japan and other third countries.

Each of these giant companies has an average of 20 information networks all over the globe which can be made best use to level up export of Indonesia's non-oil/gas commodities.

For this, the government of Indonesia and Sogoshosa representatives in Jakarta will set up a cooperation based on the existing regulations.

In 1985 Indonesia has targeted to export a 7.5 million dollar worth non-oil/gas commodity.

CSO: 4200/577



KRUPP ENGINE TO BE BUILT HERE

Jakarta ANTARA NEWS BULLETIN in English 12 Feb 85 p A-10

[Text] Jakarta, 12 Feb (ANTARA)--MAK diesel engines will be built in Indonesia under a cooperation scheme between PT PAL shipbuilding company and KRUPP, a leading West German engineering firm.

A contract to that effect was signed by Minister of Research and Technology B. J. Habibie and the management of the German company last year.

The MAK diesel engines to be assembled in Indonesia will be those of 1360 HP and 3600 HP for use on 2,000 to 3,000 tons vessels.

The West German engines will also be used at power generating plants and on locomotives.

In this context, a KRUPP delegation is currently in Indonesia headed by its director, F. Gogarten.

On Tuesday, they held a technical seminar on latest diesel engine technology at the Agency for Assessment and Application of Technology office building here.

The seminar, aimed at promoting MAK products to be assembled in Indonesia, was followed by 150 participants, representing shipping companies, ship owners, BPPT, Sea and Land Transport Directorates General, Pelni (state shipping company), PT Nurtanio (aircraft industry), shipbuilding companies and PT PANN.

CSO: 4200/577

INDONESIA

MINISTER ON NEED TO LOWER PORT CHARGES, CENGKARENG AIRPORT

Jakarta ANTARA NEWS BULLETIN in English 12 Feb 85 p 1

[Text] Jakarta, 11 Feb (ANTARA)--President Soeharto has once again stated the need for lowering the operational cost at ports here to improve non-oil/gas export activities.

The head of state made the statement when receiving Minister for Communication Roesmin Nurjadin at Bina Graha Monday.

To reporters Minister Nurjadin said President Soeharto has given directions on the matter, though no details were yet available.

In his address at the opening of the ocean-going port Pulau Baai, Bengkulu recently the head of state asked for lower sea transportation tariffs.

According to Nurjadin an inventory on the operational cost of ports has been carried out.

Various offices are involved in the activities at ports, not the Communication Ministry alone, he said. With regard to that President Soeharto has appointed state minister for the effect utilisation of the State Apparatus to coordinate the inventory.

Cengkareng

Minister Nurjadin reported on the final stage of the completion of the Inter-airport at Cengkareng. The head of state has given directives on the second stage of the construction of the airport.

The Jakarta international airport in Cengkareng will be opened early April. It will be followed by the second stage of its construction, according to Nurjadin.

With two runways and one terminal and other facilities the airport will be able to handle nine million passengers a year of 76 planes per hour.

In five to six years to come this number is hoped to increase. The second phase construction will comprise terminal building, apron, taxiway and other facilities. No runways will be built, though, Nurjadin said.

The second terminal will be built two-storey high following guidance from President Soeharto. This is to avoid coming and arriving passengers from meeting on one place.

The corridors of the terminal will be built such as to avoid rain waters and bugs flying at night, he added.

With the opening of the airport the centre for flight control will be moved from Kemayoran to Cengkareng on 17 February. The control centre is able to detect movements of a plane at a radius of 150-250 miles from Jakarta.

On 31 March 1985 all flight operations from Halim Perdanakusumah and Kemayoran will be transferred to Cengkareng.

The first phase of the construction of the airport cost Rp.334 billion. This does not include land prices and additional costs. The cost of the second phase of the airport is being estimated, according to Minister Nurjadin.

CSO: 4200/577

LOWERING OF PORT CHARGES, SEA TRANSPORT COSTS DEEMED POSSIBLE

Jakarta ANTARA NEWS BULLETIN in English 12 Feb 85 p 5

[Text] Jakarta, 11 Feb (ANTARA)--Sea transportation cost, including business expenses at ports, still could be pressed down under the current trade structure prevailing in Indonesia so long as efficiency of port activities could be guaranteed, Director General of Sea Communication J. E. Habibie said Monday.

He said this in his presentation on the responsibility of his directorate general in matters of sea communication prepared for a panel discussion staged by PWI, the association of Indonesian journalists, here.

Essentially, he said, the efficiency of sea transportation could be enhanced by shortening port days (when ships are at ports) and extending voyage or sailing days.

Effort to shorten port days entails coordination by port administrators. The port administrator has to be empowered to effectively coordinate the works of many agencies and work units involved in the handling of loading and unloading at the port.

Habibie said in Indonesia at present the coordination power of the port administrator needed to be strengthened and expanded without infringing on the legal authorities of the agencies in the port responsible to other ministries than the Ministry of Communication which appointed him.

Non-Oil Export

Specifically for the purpose of facilitating the process of non-oil/gas export, according to Habibie, the Directorate General of Sea Communication has already taken steps to simplify the system and procedure of works handled at ports.

In this connection, tariffs for non-oil/gas commodities exported to other countries have also been lowered, he said.

CSO: 4200/578

ARMY REORGANIZATION IN EAST JAVA MILITARY REGION

Jakarta HARIAN UMUM AB in Indonesian 17 Jan 85 p 6

[Text] Surabaya, HARIAN UMUM AB--The reorganization of the Indonesian Armed Forces [ABRI] does not mean that a small ABRI will result, through reductions in ABRI personnel. Rather, it is aimed at creating a relatively small ABRI that is efficient and effective in carrying out its duties. The development of ABRI at present is aimed at creating a relatively small sized force, compared with the population of Indonesia. However, it will have substantial capabilities and will be an effective force.

This was stated by Major General Soelarso, commander of Military Region VIII/Brawijaya, at a ceremony deactivating Infantry Brigades 2 and 16 which had been assigned to the military region, together with their Administrative and Combat Support Detachments. This action signified the beginning of the reorganization in Military Region VIII/Brawijaya, in supporting and implementing the policies of the ABRI leadership in general and of the Indonesian Army in particular.

Meanwhile, Major General Soelarso stated that the task of Military Region VIII/Brawijaya was to reorganize the military region and its component elements by deactivating the infantry brigades, assigning combat units to the military districts [KOREM] under it as component parts of a regional combat force, and reorganizing the headquarters of the military region and its supporting units. Combat units have been organized in the military districts, and this will be followed by the establishment of an Intelligence Unit and necessary service components under it. It is therefore hoped that in the future the military districts will be able to play a role, both in developing reserve forces and as effective, operational command elements.

To begin the implementation of the reorganization of Military Region VIII/Brawijaya, the commanding general has issued an operational order on the reorganization of the military region to senior officers and unit and service commanders. This has been followed by transferring Infantry Battalions 512 and 527 to Military District 083 in Malang and Infantry Battalion 507 to Military Region VIII/Brawijaya. Infantry Battalion 507 will subsequently be turned into the Military Region VIII/Brawijaya Strike Battalion [Batalyon Pemukul]. At the same time the component units of Infantry Brigade 16, Infantry Battalions 511, 521, and 516 will be transferred respectively to Military District 082 in Mojokerto, Military District 081 in Madiun, and Military District 084 in Surabaya.

5170

CSO: 4213/153

INDONESIA

TURKISH DEFENSE MINISTER ARRIVES IN JAKARTA

Welcomed at Airport

BK200202 Jakarta Domestic Service in Indonesian 1500 GMT 19 Feb 85

[Text] Turkish Defense Minister Zeki Yavuzturk arrived in Jakarta this afternoon for several days' visit to Indonesia. The Turkish defense minister and his entourage, including the director of technology and industry of the Turkish Defense Ministry, Major General (Sedah Tuklosh), were welcomed by Defense and Security Minister Poniman, Armed Forces Commander General Benni Murdani, and other senior armed forces officers at Halim Perdanakusumah Airport. Zeki Yavuzturk, 50, is a graduate of Michigan Technological University in the United States and pursued further studies in mining industries in the FRG.

Meeting With Poniman, Murdani

BK201442 Jakarta Domestic Service in Indonesian 1200 GMT 20 Feb 85

[Text] Defense and Security Minister Poniman and Armed Forces Commander General Benni Murdani received a courtesy call from Turkish Defense Minister Zeki Yavuzturk, who was accompanied by the director of technology and industry of the Turkish Defense Ministry, Major General (Sedah Tuklosh) and Turkish Ambassador in Jakarta Aydin Alacakaptan, at the Defense and Security Department in Jakarta today. The informal meeting saw officers from both countries exchange information on the progress and development of defense industries, including the production of combat equipment. On the occasion, the Turkish defense minister also extended an invitation to Defense and Security Minister Poniman and General Benni Murdani to visit Turkey.

CSO: 4213/154

## BRIEFS

FORCED BIRTH CONTROL--Indonesia has launched a program of forced birth control in East Timor to decrease that territory's population, according to information released by Western human-welfare organizations in London. In a communique distributed during a solidarity meeting with the Timorese people--referred to elsewhere in this publication--agencies for development, religious groups and humanrights organizations point out that this program was adopted as a control measure levied against a people "already decimated by almost 20 years of war." They also say that "strategic villages" are being constructed (for Indonesian settlers) to isolate the resistance forces from the rest of the people. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 15 Jan 85 p 1] 8568

SITUATION IN TIMOR WORSE--The situation in East Timor worsened in 1984, according to a statement made in London at the Fourth Annual Meeting of Solidarity Groups with the people of that territory. Members of solidarity groups from 10 European countries and the United States met in the British capital to ascertain what development occurred last year and study measures to be taken in the next few months. According to information at the disposal of the various groups, repressive measures against the people of East Timor increased from the time of the cease-fire agreement made in August 1983 and after the dialogue held between the Indonesian leaders and representatives of FRETILIN [Revolutionary Front for Independent East Timor]. The groups asserted that General Murdani, the new military commander of the territory, decided "to put an end to resistance through the use of force." The Indonesian Army allegedly massacred many people in villages which the occupying power suspected of being pockets of resistance. According to what was just revealed, this attitude was said to have caused many Timorese to desert the Indonesian Army and enter the ranks of FRETILIN. The aforementioned international groups are viewing Portugal's position toward East Timor with alarm and are indicating their interest in soliciting the aid of the United States and the EEC countries in actively seeking a peaceful solution. Meanwhile, FRETILIN has made it known in Luanda that it wishes to participate "in any serious negotiation" aimed at achieving a cease-fire in East Timor. Throughout 1984 FRETILIN attacked Indonesian military positions in Tutuala, Lospalos, Lore, Luru Kelicai and other localities of East Timor, according to a statement made by a delegation of that movement in the Angolan capital in a communique given to the press. "FRETILIN combatants have managed to immobilize the aggressor's war machine and neutralize his military offensives," the delegation said. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 15 Jan p 5] 8568

1984 NON-OIL EXPORTS UP--Indonesia's overall exports stood at US\$18.215 billion from January to October 1984, an increase of around 3.97 percent over those in the corresponding period of 1983. The shipment of oil and gas from Indonesia to importers abroad in the first 10 years of 1984 reached US\$13.382 billion, a decline of about 0.81 percent compared with that in the same period in 1983. The supply of non-oil/gas commodities from Indonesia to buyers abroad was registered at US\$4.833 billion from January to October 1984, an increase of around 19.97 percent, according to data obtained from BPS (Central Bureau of Statistics). [Text] [Jakarta BUSINESS NEWS in English 13 Feb 85 p 62]

SALMAN HAFIDZ EXECUTED--Bandung, 14 Feb (ANTARA)--Salman Hafidz alias Narullah (30) sentenced to death by a court in Bandung on 10 May 1982, for subversion, was executed by a firing squad in an undisclosed deserted place in Bandung regency last Friday. He was proven guilty to have led an armed attack on a police station at Cicendo, Bandung, killing three policemen and seriously wounding another. He and his friends then got away with fire arms, helmets, typewriters, a television set and police uniforms. He refused to appeal to higher courts and even to apply for a pardon from the head of state. However, his lawyers managed to have his case brought up to the high court and labor to the supreme court, and even placed it for consideration of a presidential pardon. It appeared that his death sentence had been confirmed all the way. [Text] [Jakarta ANTARA NEWS BULLETIN in English 15 Feb 85 p A6]

NEW INVESTMENT BOARD CHIEF--Jakarta, 14 Feb (ANTARA)--The installation of Ir.Drs.Ginandjar Kartasasmita, the Minister for boosting the utilization of domestic products as chairman of the Capital Investment Coordinating Board (BKPM) is based on closer relations between his ministry and BKPM. This was disclosed by Minister/State Secretary Sudharmono shortly after he installed Ginandjar as the new BKPM chairman replacing his predecessor Ir.Soehartoyo here Thursday. Sudharmono said that "no problem for Minister Ginandjar to hold the double posts, waiting for the right man for the place." He did not say how long Ginandjar will manage BKPM, but he said only for a limited period. He also denied that the promotion of Ginandjar as the new BKPM boss was in line with the declining of investment in Indonesia. "Many factors that can bring down the amount of investment in the country such as economic recession which hit the entire world," he added. Sudharmono said that the former BKPM boss would get a new assignment abroad. But he did not elaborate. [Text] [Jakarta ANTARA NEWS BULLETIN in English 15 Feb 85 p A4]

INTELSAT-ASEAN MEETING--The seventh meeting of the ASEAN Group or the Intelsat-ASEAN Group of International Communication Satellites is underway in Surabaya. Indonesia is represented by six participants led by (Theo Suryawan). The Intelsat-ASEAN Group runs the Intelsat organization in the ASEAN region by occupying a membership seat at the Washington-based Intelsat Executive Council. Indonesia has been a member of that organization since 1969, while the Intelsat-ASEAN Group was established in 1981. The meeting in Surabaya is expected to solve problems faced by ASEAN in communications through satellites. Opened yesterday, the meeting will end on 25 February. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 23 Feb 85 BK]



UDOMSAI SECRETARY ON PRC THREAT, DEVELOPMENT

Vientiane PASASON in Lao 12 Jan 85 pp 2, 3

[Interview with Comrade Sompheng Keobounhouan of the Party Central Committee and the Oudomsai Provincial Party Secretary on the occasion of the 7th Congress, 3d Session, of the LPRP Central Committee on 9 January 1985 in Vientiane Province]

[Text] While participating in the 7th congress, 3d session, of the LPRP Central Committee in Vientiane Capital on 9 January 1985 Mr Sompheng Keobounhouan, a member of the Party Central Committee and secretary of the Oudomsai Provincial Party Committee, held an interview with our PASASON reporter, as follows.

Oudomsai Province is one of the outposts in the northern region of the country. Its northern border adjoins China and its southwest border adjoins Thailand. Because of its location the enemies have been using many schemes; they have been using artillery forces and placing infantry at the border, threatening and dismantling the peace and security of the people. They sent spies to the rear to incite unrest against the revolution and to conduct psychological warfare and distorted propaganda among the masses. However, because our entire people absorbed the political and military policies of the party and the resolution of the nation defense and security committee of the Party Central Committee on the [people's war network construction] they fought against the enemies. We have been carrying out the conversion to grassroots. We then scored important achievements, e.g., at the Lao-Thai border. Although they threatened us in many ways we have been able to maintain our situation as normal. Moreover, there were many cases they wanted to [instigate] in the rear and we were able to stop them and completely suppress those who countered the revolution with many of the enemies' destructive wars of aggression, that were defeated. The outstanding thing in 1984 was the awakening and voluntary participation in national defense and security by the youth in our province which was more active than in any other year. Moreover, the mass organizations, the Lao women's association, the youth union, the trade union, National Front, and also the people in every village, canton, district, and province have been carrying out their national defense and security with consciousness and care at all times.

Many years ago it was true that cadres and government employees had not yet absorbed and been persuaded in the conversion to grassroots. Those assigned to go to the grassroots often hesitated and were uncomfortable about it because they did not yet understand the significance and role of the grassroots. They did not know that to train themselves they had to get involved with the mass organizations and get experience in order to improve the views of the masses and upgrade their understanding.

After the 5th congress, 3d session, of the Central Committee of the LPRP was finished and Resolution 51 of the Party Central Committee Politburo was adopted on the conversion to grassroots, the party committee and the administrative committee of Oudomsai Province organized study of the resolution and learned that everything comes from the population base, and they also know that the two strategic duties of defending the constructing the socialist nation are the duty of the entire people. They also clearly understand the enemies' schemes hoping to dismantle our new regime by determinedly destroying the grassroots.

Because they understand that the conversion to grassroots construction is a strategic and central duty that needs to be carried out well, we have unanimously agreed with the central higher echelons to take the duty of conversion to political grassroots construction as a collective duty that the entire party, the entire army, cadres, and all party members must carry out very well.

Based on correct views and understanding, in the years past the party committee and the administrative committee of Oudomsai Province have selected good and [capable] cadres in each unit and section to receive training, and have organized them down to the grassroots in groups on a continuous basis in many ways: the transfer of cadres from the province and districts down to each canton, and getting cadres into groups to build roads, organizing them into units to work on each location from 1 to 3 years, and summarizing each period of each task.

Every time cadres are sent to the grassroots they must be thoroughly trained and educated. We must have a suitable policy for their families. The guidance committee must be organized continuously by the direct supervision of the provincial party committee. Commendation is applied to the units and persons who work effectively and correctly and in a timely manner.

In the past years, although Oudomsai Province is a mountainous province with multiethnic groups, and the people still had to depend on nature for their living and were threatened by the enemies who hoped to destroy us, the party committee and the administrative committee have resolutely and persistently led the people of ethnic groups to construct an economic base by gradually and firmly making agriculture and forestry a foundation for industrial expansion. Therefore, Oudomsai Province has built its economic base as follows: the people have awakened and volunteered to join agricultural co-ops and have carried out collective production. Now there are 112 co-ops which is 97 percent of the number

of villages that are engaged in rice-growing. The people of ethnic groups in the mountains have gradually organized production solidarity units and labor exchange units.

Meanwhile, we have also paid attention to irrigation construction and have mobilized the cadres and people to extensively grow starchy crops and industrial trees.

The important thing we learned was that if we want to lead in agricultural, industrial, and trade construction it is important to have good, [strong capable leaders] in each work section, district, agricultural co-op, and other work unit. First of all the party committee and the administrative committee for each level must deeply absorb the policies of the party and government, be highly responsible for the task assigned to them, be aware of their self-mastery in all tasks, have correct views, know how to use the true force of the masses, know how to search for and encourage their own strength well, know how to train technical and specialized task cadres, pay attention to political ideological training regularly, take good care of the cadres's standard of living, encourage the economy as a lever, know how to adopt a plan, organize and inspect and summarize what we have learned, and improve all work sections to work together regularly.

9884

CSO: 4206/90

## 'TALK' SEES PRC AS MENACE TO SOUTHEAST ASIA

Vientiane PASASON in Lao 12 Jan 85 p 3

["TALK": "China Is a Threat to the Security of Southeast Asia." A shorter English language version of this item was carried by Vientiana KPL0907 GMT 12 Jan 85 and published in the FBIS Asia and Pacific Daily Report for 14 Jan 85 p 12]

[Text] For many years the Beijing Administrative Committee has been active in carrying out its most cleaver and savage schemes for expansion into Southeast Asia, for example, raising the Cambodia issue to slander Vietnam, the issue of the three nations in Indochina as a threat to stability, security, and peace in Southeast Asia, etc., hoping to put pressure on ASEAN to misunderstand and carry on a confrontation policy. If that is the case tensions will drag on, and it will be beneficial for them to expand their power into this region in the future. However, the Chinese expansionists' schemes cannot deceive the correct understanding of ASEAN and also progressive world opinion, especially Indonesia and Malaysia who confirmed, "Chinese expansionism is a real threat to Southeast Asia."

Both political circles and the news media in Indonesia confirmed many times that China is a threat to Southeast Asia, especially General Murdani, commander-in-chief of the Indonesia Armed Forces during his visit to Vietnam in early 1984, who said, "For Indonesia, it is not Vietnam but Chinese expansionism and hegemonism that is a threat in Southeast Asia."

His statement was supported by advanced opinion in ASEAN and in the world; in was only China and the ultrarightist reactionaries in the Thai ruling clique who expressed unhappiness and hatred. This response did not shake Indonesia at all, and on the contrary it maintains and promotes its own belief on this issue.

At a news conference in Jakarta President Suharto said, "China is a threat in Southeast Asia." In mid-April 1984 Foreign Minister (Mouktakousouma Atmaiya) stated that it was Chinese activities along the border north of Vietnam itself that interfered with stability and security in Southeast Asia. In an interview for the U.S. NEWSWEEK he pointed out that they all unanimously agreed that the greatest danger

comes from China. On 10 June 1984 the spokesman of the Indonesian Foreign Ministry gave his views in an interview with a French AFP reporter and he said, "Indonesia's long-term worry is that the threat comes from China alone, and not from the Indochinese countries."

Prior to this, on 25 May 1984 the Indonesian newspaper (MAGNEKA) stressed that Indochina is always very careful to pay most attention to politics in China which has historically always been greedy, and which has expansionist schemes in Southeast Asia.

Meanwhile, in Malaysia last year, the Minister of Interior appealed to the countries in the region to increase their forces to resist the Chinese threat.

When Zao Zi Yang the Chinese prime minister ended his visit to Malaysia in 1984 he claimed that Vietnam was a threat to Southeast Asia. However, this deceitful propaganda was immediately disclosed. The Malaysian prime minister stated during talks with the United States that Malaysia was worried that when China completed its modernization and especially when it had a modern army it would carry out its expansionist schemes. The former Malaysian Prime Minister Mr (Houssenon) expressed his opinion saying that for Malaysia China was a threat in this region. The Malaysian national defense magazine issue for June 1984 pointed out that Indonesia and Malaysia considered China a threat to the peace and security of Southeast Asia.

Besides the opinions of the ASEAN nations, Western countries have also called attention to Chinese expansionism. The Voice of America (VOA) and UPI of the United States in early July 1984 stated that the United States was concerned over China's army modernization in terms of its greedy expansion and swallowing up Southeast Asia. This propaganda machinery also added that ASEAN itself also paid very close attention to this problem. Thus, last year they created confusion for China and Thailand and they [were forced into a lonely defensive position]. Whatever they said in slandering Vietnam and also the three nations in Indochina was immediately denied by ASEAN. Now and in the future ASEAN will be firmly alert towards the real threat from China.

9884

CSO: 4206/90

## RESOLUTION 51 CITED IN VIENTIANE POLITICAL DEVELOPMENT

Vientiane PASASON in Lao 15 Jan 85 p 2

[Article by Viengkham Thanousai: "The Vientiane Provincial Political Base Has Been Improved"]

[Text] To carry out Resolution 51 of the Party Central Politburo, last year Vientiane Province assigned cadres to the grassroots many times to mobilize the people to boost their patriotism and love for the new socialist regime, to organize the people to take part in security work, to encourage production and to raise the standard of living of the people of ethnic groups, and to improve the dictatorship of the proletariat at the base level. As a result, many former white bases [with no party members---FBIS] have now set up strong cadre ranks and mass organizations, e.g., the youth union, the Lao women's association, and trade unions. The Lao Front for National Construction was expanded. They gathered all classes of people and increased solidarity within the people of ethnic groups very well under the leadership of the party.

The administrative organizations at canton and village levels have been improved. They were able to select good people in improving the base-level administrative organization and to mobilize over 440 youth to serve in the army, and the people's defensive network in each locality was strongly further improved and able to maintain peace and to make it easy for the people to feel free to make a living. In terms of agricultural production, the people of ethnic groups in the flatland, district, and rural areas have extensively opened new ricefields and revived many hundreds of deserted ricefields. As for the irrigation system, many irrigation ditches were successfully constructed in many places to supply water to the people's cultivation areas. Moreover, the people in each locality have strongly and extensively begun collective production. The conversion of agricultural co-ops has increased 13 units. The agricultural tax and rice sales for the government was 14,500 tons. Education, culture, and public health were all strongly expanded. The outstanding ones this year are in Hom District, Saisomboun and Feung District branches. These are indications that the organization and implementing of the party policies has already spread to the grassroots.

The people of ethnic groups are happy with the new regime that has changed and unceasingly improved their lives.

However, the political base construction in some places in Vientiane Province has not yet been effective. The same goes for the construction of the nation defense network of the entire people. The village-level administrative committees are not yet strong and have not yet become a strong post for the dictatorship of the proletariat in carrying out the party policies. The mass organizations have not encouraged and become a support for mobilizing and organizing the masses to carry out the party policies.

From last year's experience with the conversion to the grassroots in Vientiane Province, a plan was adopted to continue organizing and implementing Resolution 51 of the Party Central Politburo and Resolution 7 of the third session of the Central Committee of the LPRP concentrating on the mobilization and education of the people to absorb different policies and resolutions of the party and to participate in all local activities to gradually normalize peace, continue improving the dictatorship of the proletariat, upgrade production, and inspire people in reviving various occupations in order to encourage the creativity and diligent heritage our people have had since ancient times, raise the standard of living of the people materially and spiritually, and increase solidarity among all the people of ethnic groups of all ages in society in order to encourage the mass organizations to carry out the immediate plan effectively. In carrying out these tasks we must carefully select good and outstanding people to work in the ranks, and qualified people for the purpose of expanding the party. Along with the improvement of the mass organizations, e.g., the youth union, the Lao women's association, and the trade unions, the Lao Front for National Construction and the canton and village-level administrative organizations can be a strong support as befits the roles of the working people's true representatives who are effective in bringing the benefits and rights of collective ownership to the people.

To achieve this task in the operation to mobilize the building up of the political grassroots, Comrade Khambot Sinouvong of the provincial committee and chief of the Vientiane Provincial Propaganda and Training Committee emphasized that in organizing and guiding the operation on the provincial level, the guidance committee of the grassroots conversion that was organized on 7 August 1984 must continue its responsibility in helping the provincial party committee to guide and organize cadres, soldiers, and police to strongly convert to the grassroots, mobilizing cadres to convert to the grassroots with high responsibility and to apply policies to them according to the guidance of the higher echelons, organizing and following up the task situation and summary, and commending outstanding cadres after the period of mobilizing the people in political base construction. At the district level these must be carried out directly under the leadership of the district party committee and the district administrative committee. The district party committee must make use of the propaganda and training committee and mass organizations, e.g., the youth union, the Lao women's association, and trade unions, in base construction around their district area systematically and concentrating mainly in certain cantons.

The purpose of all this is to follow the guidance of the Party Central Committee! "Provinces are the main strategic units, districts are the main battle units, and cantons and villages are true strong socialist outposts." This will be a great and glorious achievement for the 2 coming national historic days, the 30th anniversary of the LPRP and the 10th anniversary of the LPDR.

9884

CSO: 4206/92



# OFFICIAL ON PARTY ROLE IN FOREIGN MINISTRY

Vientiane PASASON in Lao 29 Jan 85 p 2

[Views of Comrade Khamouan Teunglovankham, secretary of the grassroots party committee in the Ministry of Foreign Affairs on the role of the party in the Foreign Ministry; date and place not specified]

[Text] In the new revolutionary period when our party has come to power, the Foreign Ministry has a number of special characteristics. The number of people for organizing this ministry is complex. The ministry's political duty has been to use the party's foreign policies to successfully serve the strategic duties of national defense and socialist construction.

The party's role in the Foreign Ministry is to ensure the study and leadership for organizing and effectively carrying out the political duty of the Foreign Ministry.

From these special characteristics and duties the grassroots party committee of the Ministry of Foreign Affairs has attentively built up and strengthened the party in every way, used [its] guidance in the new period of the construction of the party in all the work areas of the ministry, trained and guided cadres and members in political ideology so they will understand in detail the ministry's political duties which arise from the policies and various resolutions of the party. In 1984 the grassroots party committee of the Ministry of Foreign Affairs guided them with many sessions on political lifestyle and lessons on the resolutions, as follows: studies of Resolutions 5 and 6 of the Party Central Committee, and Resolution 33 of the Central Party Politburo; mobilization and emulation to score achievements for the 2 historic days; and the political struggle against the ultrarightist reactionaries in the Thai ruling clique (on the three Lao villages in Sayaboury Province). These were attended by a total of 1,072 people.

The grassroots party committee of the Foreign Ministry has related the party's construction to the mass organizations and has organized the masses to join in constructing the party and to observe and comment on party members. It has used the mass organizations as a testing field and for setting goals for the party's expansion. The acceptance of new members and the setting of goals occurs via the mass organizations and approval from a majority of the masses, and must pass the party chapter meeting

with approval by 2/3 of the full members whose duty is to participate in the party chapter committee. It will then be proposed to the level that has the right to make the decision. The grassroots party committee of the Ministry of Foreign Affairs has led in the party construction by becoming involved with improving the machinery of the Ministry. After each improvement and assignment of machinery we have selected provincial party members to be responsible for the center work. Where there are not yet any party members we set up goals and assigned to active and advanced masses the chief responsibility to lead in the task of truly ensuring the theory, "The party leads, the government protects, and the masses are the owners."

The grassroots party committee in the Foreign Ministry has also guided in the construction and has improved the organizing of the party at the grassroots level along with upgrading the quality of party members. Besides assigning the party members to go to the party's school for theory, the grassroots party committee of the Foreign Ministry also pays attention to the life of the party chapter. Prior to this, the life of the party chapter dragged on for a long time and the contents were not clear. Now the grassroots party committee of the Foreign Ministry has assigned the immediate duty to the ministry and to each party member to carry out the party chapter in order to correctly survey the strong and weak points and to criticize within and among themselves. As a result our grassroots party committee has gradually expanded from a single party chapter to four party chapters, and it has also become a grassroots party committee that leads in every way.

By following the policy of constructing and strengthening the grassroots party committee in all aspects, the grassroots party committee of the Foreign Ministry has attentively inspected within the party, focusing on continuously accepting capable people into the party, and [getting] incapable people out of the party. In accepting new party members our grassroots party members' committee absolutely will not let opportunists and enemies sneak in to destroy the party. By carrying out such a policy our grassroots party committee has increased the guidance and the party combat force from 23 comrades in 1979 to 49 comrades now, including 20 comrades who are out to propagandize and 11 new comrades.

Because of such unceasing expansion, the grassroots party committee of the Foreign Ministry has gradually taken an extensive role in leadership. In 1980 our party committee was honored as the first party chapter that went out to propagandize. In 1982 during the preparatory period for the 3d party congress our grassroots party committee was specified to experiment [with] the congress at the grassroots level. There were over 100 party chapters around the center to learn the lessons.

In order to welcome the coming 2 great national historic days the grassroots party committee of the Foreign Ministry has increased the party leadership role full-scale in order to meet the demands of the task in the new period of the revolution. It has also increased

leadership in foreign relations which has steadily grown, and demands on the party leadership are greater than ever. Thus, our grassroots party committee of the Foreign Ministry will continue to have a high consciousness in persistently carrying out its duty in constructing the party so it will be a strong and growing party committee that truly knows and leads in every way.

9884

CSO: 4206/89

## 'LETTERS' COLUMN RESPONDS TO THAI WHITE PAPER

Vientiane PASASON in Lao 18 Jan 85 p 3

['Letters' Column: "The True Nature of the Development of Lao-Thai Relations"]

[Text] [Question] Today we will discuss with those of you who have been following our 'Letters' column every Friday a question from "an agricultural co-op member" in Nasaithong District. The question is as follows. Since 11 January 1985 Thai radio has been propagandizing a great deal about a Thai Ministry of Foreign Affairs document called "Development of Lao-Thai Relations." What is the story about this? Please clear this up for me.

[Answer] We would like to discuss this briefly as follows. The Thai Ministry of Foreign Affairs announced such a document because of its harmful intentions. First, the ultrarightist reactionaries in the Thai power clique are afraid of the power of the LPDR Ministry of Foreign Affairs' White Book issued on 18 September 1984 [which revealed] to the whole world the true cause and the undeniable evidence that the Thai ultrarightist reactionaries have always wanted to swallow up Lao territory and destroy the good relations between the peoples of Laos and Thailand. They want to [distort the truth] from black to white.

Secondly, they tried to cover themselves up with this document after the peoples of the two nations and of the world revealed their cruelty and their crimes. In the document they tried to use sweet and persuasive words in order to distort the truth about Lao-Thai relations, and they tried to propagandize their fine labels. They talked at length about "helping and taking care of Lao refugees." In fact, what most frightened our people and incited them to flee our country came from the Thai side. The refugee camps in Thailand are themselves the source of the exiles and looters in several areas along the Lao-Thai border, and are also sources for the destruction of the LPDR in many ways. They used these refugee camps as a way to claim assistance from international organizations.

Thirdly, they tried to disrupt our internal solidarity and to separate us from our friendly neighbors. For example, they tried to disrupt the special solidarity between Laos-Vietnam-Cambodia by fabricating various

stories in order to create suspicion among our people. The ultrarightist reactionaries in the Thai power clique are pulling Thailand to get it openly involved with Chinese expansionism and hegemonism against the three nations in Indochina.

The document on the development of Lao-Thai relations was published on 11 January 1985 by the Thai Ministry of Foreign Affairs, [after] the LPDR White Book had already explained the whole story clearly. The people of the world and the VIPs in the Thai power clique and also the Thai people see clearly and are in agreement with us. Moreover, this document came out when the Thai people already clearly saw the danger which would later follow the territorial expansion and the determination to revive pan-Thaism by the ultrarightist reactionaries of the Thai power clique. This means that this document intending harm will definitely become worthless.

If the Thai side sincerely wants good relations with Laos they should determinedly and quickly respond to the Lao proposal to continue talks between both sides, which the Thai side unilaterally announced it would stop. This is to solve the unfinished problem on the three Lao villages by peaceful means, which is in line with the interests and wishes of the Lao and Thai peoples, and it will also be good for peace and stability in Southeast Asia.

9884

CSO: 4206/89

## CAPITAL MEETS STATE TRADE PLAN

Vientiane PASASON in Lao 17 Jan 85 pp 1, 2

[Article: "Success of Vientiane Trade Corporation 1984 Plan"]

[Text] Throughout 1984, all the cadres and workers of the Vientiane Trade Corporation were determined to succeed in applying their skills at their tasks. This made the trade network expansion plan and purchasing and goods distribution activities reach every basic production area completely, in line with the projections of the annual plan.

The entire last year, the Vientiane Trade Corporation strongly expanded its trade network into basic construction areas. To date, there are 6 state stores, 1 international store, and 1 store for improving the standard of living of cadres and workers; 114 people's trade cooperatives were expanded. In 1984 alone, there was an increase of 87 trade cooperatives. The purchasing and bartering of prefabricated products and forest products amounted to 12.15 percent more than the annual plan's projection, an increase of 79.23 percent over 1983's [totals]. The distribution of goods in 1984 was 27.02 percent more than the plan's projection. Clothing, equipment for helping increase production and construction supplies were available in state stores and people's trade cooperatives in urban as well as rural areas. At the same time, the Vientiane Trade Corporation also supplied 70 million kip worth of various kinds of merchandise to basic production areas in barter for rice and animals from farmers.

1985 is the last year of the first state plan. The head of the Vientiane Trade Corporation, Mr Phaivan, stated the following about the plan for struggle: "The corporation is accelerating its purchasing of forest products for export from the people and speeding up its completion of the construction of four warehouses, namely, one [each] for goods for improving the standard of living of cadres and workers, for food supplies, for goods for exchanging for forest products, and for general goods. The corporation is also researching sources for obtaining goods to sell on the 2 upcoming historic days and is continuing to expand into all rural areas."

12597

CSO: 4206/93

BOKEO TRADE DEVELOPMENT, PROBLEMS NOTED

Vientiane PASASON in Lao 22 Jan 85 p 2

[Article by Khoumthong Sinnachak: "Bokeo Provincial Trade"]

[Text] Bokeo is a brand new province not even two years old. Thus, all the work in this province is being paid attention to, constructed, and improved by the party and government. Trade is one essential economic component in building up the standard of living for cadres and the people of ethnic groups.

In Houaisai District where the provincial office is located the Lao Trade Corporation has had its own branch since June 1983. The Bokeo Provincial branch of the Lao Trade Corporation has determinedly carried out its duty in domestic and foreign trade and has taken part in constructing this new province very well all along. Now there is a total of 4 state stores and 18 people's collective stores.

Comrade Khamphai, chief of the Lao Trade Corporation Provincial Branch, told us about its history and development. In the beginning they encountered many difficulties, e.g., the site allocation, provision for cadres and vehicles, and planning. This means everything had to be set up new in the same way a new house is built. However, all 31 trade cadres were unshaken. They had no warehouse, so the goods were kept in the office. They did their cadre and worker tasks at the same time, for example, when merchandise arrived they had to transport it without complaining.

The Bokeo Provincial Trade [Branch] has determinedly and effectively raised the standard of living of cadres, e.g., there is a special inexpensive store that sells to cadres. There is circulation and distribution of goods to each district and locality. The purchasing of forest and ricefield products is being carried out widely. In 1984 they were able to buy many thousands of tons of resin, onions, garlic, tamarind, [melons], etc., and they also earned income to put into the government budget as expected for the 1985 plan in order to score achievements for the 2 national historic days, the 30th anniversary of the LPRP and the 10th anniversary of the LPDR. The Lao Trade Corporation Bokeo Provincial Branch will try to increase the purchasing of forest and ricefield products from the people by 25 percent and will put an additional 14 percent of its income into the government budget.

SOCIAL, ECONOMIC SITUATION OF SKILLED WORKER NOTED

Vientiane MEGNING LAO in Lao Dec 84 pp 10, 11, 13

/"Problems in Life" Column: "Will She Disappoint Me?"

/Excerpts/ /Question/ Dear MEGNING LAO editorial staff. I am a worker in an enterprise factory. Although I am a worker, I am a technical worker with a fairly good education. In the factory they call me the "most handsome" man because of my well-proportioned body 1.70 meters tall and my broad shoulders. I have naturally curly hair and beautiful black eyes. I like to play music and sports and I am a fun-loving person. (Please forgive me as I do not mean to advertise for a wife.) For this reason my factory friends have named me the "factory star," and many girls pay special attention to me.

During a meeting of the youth unions of the three capitals last year I accidentally met a girl (I would like her name to be confidential). Since that day I longed for her, and my heart forced me to search for her house. Since then we used to go often to movies, celebrations, and festivals so that I would have a chance to be close to her. We used to meet not only on Saturday and Sunday evenings but also we went out together on weekday evenings. I was very happy to be close to her. I would see to it that she got whatever she asked for. I did not want to cloud our relationship.

However, it was sad that we loved each other only 7-8 months when I got the feeling that I would not make it through, because each time we would meet her demands increased. She often asked me if I knew that a new style of clothing had arrived, and that the latest style skirt was very beautiful. Her hairdresser told her she had to have a new hairstyle to suit her face..."Let's go to celebrate the opening of a new restaurant."

In fact I never saw that she wore anything old-fashioned at all, and her hair already looked nice. I did not understand why she wanted more.

My monthly salary is approximately 900 to 1,000 kip. Before this I was able to save approximately 300 to 400 kip per month for my mother. Since I had gotten to know this girl not only did I not give any money to my mother, but I also had to ask my mother for money to spend each month.

One day I told her that we should be saving money to get married....



I never dreamt that my good intentions would be the reason for destroying my deep love. Her face immediately became hard. She answered, "Of course, if you want to save there is no need for us to go out to have fun any more. Thanks for reminding me."

Her words were a danger signal. Since then she has been trying to avoid me because the times when we saw each other after that did not bring happiness to either of us. There was only unhappiness whenever we met, and we did not wish to see each other again. Now our relationship has ended. However, I do not want it to break up completely. I want her to understand and to go along with my way of thinking.

Now I have met another girl who is working in the same factory with me. She is in the administrative section. She has become a sympathetic friend who listens to my frustrations. She helped to explain many problems to me. However, I have not yet regained my trust in girls.

I think I would like to start a new life with her, but I am still afraid of being deceived. I have written to discuss this with you because I have not yet dared to decide the matter myself.

1. Why do people turn to alcohol when they are unhappy?
2. When she stopped loving me, why do I hate all Lao girls?
3. Would it be good if I were to fall in love with the girl who is working with me? Or will I be disappointed again? I hope you can answer me. From a disappointed man. Vientiane, 25 October 1984.

9884

CSO: 4206/84

## AGRICULTURE, INDUSTRY, ROADS, EDUCATION RESULTS SUMMARIZED

Vientiane VIENTIANE MAI in Lao 9 Jan 85 p 3

/"The LPRP Which Has Organized and Led All Victories of the Lao Revolution"  
Column: "The Heritage of Struggle and Victories of the LPRP"

/Excerpt/ Conversion to agricultural co-ops. There are now 2,400 agricultural co-ops throughout the nation, and 37 percent are farmer families. The cultivation area is 35 percent and it has been planted. Thousands of solidarity and labor exchange units have been organized.

Forestry. The survey of forested areas nationwide by plane has been basically complete. Trees were felled and also planted over many hectares.

Industry. Our government has revived different factories, e.g., alcohol and beer, tobacco, soap, /wood products/, etc. Every year these factories are increasing their production. Some factories are expanding, e.g., the Nam Ngum Hydropower Plant. Our government is constructing a number of new factories: a concrete plant for producing 5,830 cubic meters of concrete per year, a concrete factory for producing 30 cubic meters of modern concrete per hour, and a factory for crushing 10,000 units of clinker per year.

Communications, Transportation, and Post has been growing. Roads now go to 90 parts of 111 districts (including 25 districts where cars can go 2 seasons). The survey for connecting a permanent oil pipeline from Vinh (Vietnam) to Route 13 was completed. Routes 9, 8 and 13 were constructed and repaired. Water routes were revived and expanded.

Along with the victories in the economic areas mentioned above, circulation and distribution, foreign trade, banking, etc. have been progressing rapidly.

Media, newspapers, propaganda, and movements. Culture has determinedly taken part in mobilizing and educating the masses concerning the policies of the party and government in a timely manner.

Education has strongly expanded. Now 15 out of 17 provinces have eliminated illiteracy. The other two provinces are preparing ceremonies to announce the elimination of illiteracy. Throughout the country 195,000 people have studied supplementary education. Many nurseries and preschools were constructed. The number of regular students and teachers is many times greater than before 1984. There were 6,000 students completing secondary school and 1,000 were sent to study abroad.

## EDITORIAL CALLS FOR RATIONAL PRICING, WAGES

Vientiane PASASON in Lao 22 Jan 85 pp 1, 2

[Text] Socialist business accounting is one area that requires top priority attention. It is a key economic control mechanism for developing and preserving socialism. When socialism is mentioned, it implies accounting. Therefore, we must concentrate on developing socialist business accounting in close relation with a planned economy. These two things are very closely tied, like an object and its shadow.

We have to simplify the planned economy and business accounting for our country, but they must guarantee the required control of all major agricultural production units. We must develop conditions to make production proceed normally and normalize control centers and we must have the essential means for control, namely, plans, systematic policies, laws, and schedules as the foundation of business accounting.

One of the top priorities for business accounting is to guarantee the right of financial self-mastery to all economic units. Business profitability is also a main principle in socialist business accounting, so when a plan is made for producing certain goods, the state must hurry to remind each unit to calculate and include everything in detail into the accounting system. Each unit must struggle to improve quality and cut down the costs of production in order to maximize profits for expanding production, hand over profits to the state and improve the standard of living of the workers.

In socialist business accounting, we must mainly concentrate on stimulating and promoting workers and collective units with materialistic incentives. We must aim to promote and develop a spirit of socialist collective mastery, enthusiasm in work, curiosity, technical creativity, improve the quality of work, cut down expenses, and increase socialist treasury reserves.

We must apply the complete set of economic tools in order to effectively promote the planned economy and socialist business accounting tasks. We have to have an effective pricing system based on political and economic ideology and we must apply pricing regulations within reason. The salary policy must meet and guarantee the minimum standard of living of cadres,

fighters, workers and state employees. Tax policy must be absorbed by the working class and in line with the production policies of the party. There also must be policies to promote all enterprises to increase profitability and the capability of each enterprise to expand production and increase the public welfare and funds for bonuses. Our new economic control mechanisms require firm relations, coordination and total cooperation between all sectors, different levels [of administration] and each stage of development in promoting their movement. Responsibilities in combination with obligations and the national interest must be taken seriously.

Especially from now on in order to guarantee a successful changeover to socialist business accounting we must concentrate on researching all systems, regulations and policies for a planned economy and business accounting, [including] systems for withdrawing and expending funds, credit and pricing policies, wage systems, and economic obligations, and setting up economic settlement councils for stipulating the advantages, rights and obligations of each level of administration, and of each sector, collective and individual. We must make laws concerning technical supplies and supply systems, and the distribution of products. Our most fundamental problem is that we must divide and fix clearly the responsibilities and roles for controlling the business production of all economic units (meaning that business must be controlled) and their economic management (meaning that the state controls the economy). These two controls must be effectively performed within their prescribed limits and the responsibilities [of performing them must be taken] seriously. When these are done, the changeover to socialist business accounting will succeed to its utmost.

12597

CSO: 4206/93

## ELECTRICITY CORPORATION REPORTS PRODUCTION

Vientiane VIENTIANE MAI in Lao 5 Jan 85 p 2

/Feature Article by Simmavong Thanousin: "Outcome of the Lao State Electrification Enterprise"/

/Excerpts/ The Lao State Electrification Enterprise has a total of 1,416 people of which 260 are women; 1,305 are permanent workers and 256 are women; 111 are daily paid workers and 3 are women; 991 people are engaged in direct production while 314 are in indirect production. Of the total number of cadres and workers 49 have a full high-level specialized task and equivalent, 493 have a full mid-level specialized task and equivalent, and 771 people have basic-level.

Last year they succeeded in improving a phase in the organization of the corporation.

The mass organizations under the Lao Electrification Corporation have improved and their organizing has grown and expanded. The cadres and members of these organizations have a very firm political ideology. The membership of the base trade union has grown to 110 people, to 82 people for the base youth union unit, and to 34 for the Lao Women's Association.

The 1984 plan of the Lao State Electrification Enterprise was approved by the Ministry of Industry, Handicrafts, and Forestry and was unanimously accepted by the working people in the Lao Electrification Corporation at the meeting to open the emulation operation in early 1984. In the actual operation they encountered many difficulties both internal and external. The greatest problem was that there were insufficient materials, equipment, and spare parts. However, the cadres and workers with a heritage of diligence and persistence raised their creativity and ability and endured these obstacles beautifully.

1. Electricity production. The Nam Ngum Hydropower Plant is a driving force. In the past 11 months it produced 798,519,900 kWh, exceeding the plan for the 11-month period by 4.77 percent.

2. Electricity distribution inside the country and abroad. The electricity section which is responsible for this has carried out the following. A total of 756,081,309 kWh of electricity was distributed, of which 123,269,909 kWh was distributed domestically and 632,811,400 kWh or 5.61 percent of the 11-month production was exported.

3. Energy conservation. Within the past 11 months the trade section which is responsible for this task has carried out the following. It conserved 849,814,473.34 kWh of energy domestically and in foreign countries, including 86,849,473.34 kWh domestically.

They also carried out the third phase of the Nam Ngum Construction Project No 1 in constructing housing and installing the No 4 electric generator. The installation of the electricity system was basically completed, and it is now undergoing testing. The construction amounts to 68.16 percent of the year plan and the pole production amounts to 57 to 57.75 percent of the year plan.

9884

CSO: 4206/84

FEMALE TROOPS' JOBS, AGES REPORTED

Vientiane MEGNING LAO in Lao Dec 84 pp 4, 5

/"Good Work, Outstanding People" Column by Souvanpheng: "Our Happiness Is to Serve the Nation"/

/Text/ When I walked into this combat headquarters my worry was hard to explain. However, the thing that interested me when I first walked into this area was the happy laughter of the young female soldiers. It helped to get rid of the worry I had on my way here and to make the atmosphere very warm.

While listening to the situation from the committee responsible for combat I did not forget to ask about the female soldiers. They all answered me happily, saying "These girls are the lovely young daughters of our General Division 2. These girls are the ones who are in charge of getting food for the soldiers here."

I met and talked with the girls in a happy atmosphere. Their shyness did not fit in at all with the solemn green shirts and pants they were wearing. This bashfulness was an obstacle to my finding out about their past activity. They just smiled and laughed and answered me with a few words. One said, "My name is Thongsouk and I am 22. My hometown is Ban Nongsai, Pha Khom Canton, Luang Prabang District and Province. Prior to this I volunteered to teach public education in a Lao Theung village. Later on I applied to become a soldier. I served in the /Reception Company/ in Luang Prabang. When the ultrarightist reactionaries in the Thai ruling clique sent their troops to encroach upon the three Lao villages, because of my hatred of the invaders and my love and esteem for this fatherland I volunteered to serve in this combat front."

A second girl told me, "My name is Chan and I am 19. My hometown is Ban Nonsavan, Na Dam Canton, Sayaboury District and Province. I volunteered to become a soldier in 1980. In the beginning my job was communications cadre. Later I was assigned to the /Reception Company/ in Luang Prabang. When the incident occurred in Sayaboury Province, my beloved hometown was invaded and I tried to serve in this combat unit."

She told me briefly about her past. They also expressed their feelings when they said, "We want to be in the front line. We want to have hand-to-hand combat with the enemy but the committee responsible for this has not yet

approved. They assigned us to serve in the rear first. Although this job is not what we had in mind as an important duty in striving for victory, we decided to carry out this task effectively."

When I looked at their young and happy faces I could not help asking them, "You must all have boyfriends. What are your plans for your future?" Their faces were red with shyness. They answered me as though with one voice. "Oh! We have not really thought about that. Our happiness is to serve the nation to take part in defending our beloved country, and to maintain its peace and happiness."

We said goodbye with regret to the front line combat outpost and to the girls. Their laughing has remained in my memory, and it helped to strengthen me when I started out to the front line.

9884

CSO: 4206/84



LAOS

EX-RLA OFFICER IN LPA FLEES TO THAILAND

Bangkok DAO SIAM in Thai 12 Jan 85 pp 7, 11

[Article: "Lao Captain and Family Flee to Thailand"]

[Excerpts] Police Sublieutenant Samran Sukhatham, Police Master Sergeant Prachakit Photphoem, Police Sergeant Somphong Phenplang, Police Private Waradet Sibunphimsuai and Police Private Chamnong Ratkhoton, Region 4 Border Patrol Police officials subordinate to the 7th Company in Mukdahan Province, were on patrol along the Mekong River. When they reached Ban Bang Sai Yai in Ban Sai Yai Subdistrict, Muang District, Mukdahan Province, they saw seven people row a boat from Savannakhet Province in Laos and get out at the Wat Bang Sai Yai dock.

All seven confessed that they had fled since they could no longer stand the military administrative system there. They refused to return to Laos and were determined to go to a third country. Before fleeing to Thailand, Captain Khrutkaeo told reporters that he had served as a soldier at the Arasikun Camp in Luang Prabang. After the administrative change in Laos, Vietnamese troops arrested him and sent him to Oudomsai Province for re-education. He was kept there for 5 years. After that, he was moved to Chiang Khong for 3 years and then sent to a joint-service school for another year. While he was at that school, he was paid 130 kip (which is equal to 13 baht) a month. He tried to escape several times. Then, when the Vietnamese officer who was his superior was transferred, he took the opportunity to flee. He found his wife and children and together they traveled from Luang Prabang to Savannakhet Province, with the trip taking 1 month.

11943

CSO: 4207/121

LAOS

GUERRILLAS ENFORCE BORDER RULES, SEIZE THAIS

Bangkok DAO SIAM in Thai 15 Jan 85 pp 7, 12

[Article: "Lao Guerrillas Kidnap Thais, Hold One For Ransom"]

[Excerpt] A reporter in Ubon Ratchathani Province reported that as Mr Bunsong Kasien, age 38, who lives at 10 Hamlet 5, Ban Ubmung in Khemmarat Subdistrict, Ubon Ratchathani Province, and a neighbor, Mr Chunla Somsung, age 27, were fishing on the bank of the Mekong River near Taengmo Islet, which is 1 km from Ban Ubmung, two guerrillas armed with AK rifles, who were stationed at Ban Sabuchai in Sabuchai Canton, Song Khon District, Savannakhet Province, seized them and took them to Phi Lok Islet near Taengmo Islet. The guerrillas then released Mr. Chunla so that he could tell relatives of Mr Bunsong to bring 80,000 baht to secure the release of Mr Bunsong. At 1000 hours that day, when they learned of this, his family desperately tried to raise the money in the village but they couldn't raise enough. Thus, they decided to inform the district officer. After being informed of this, Mr Monthai Pramunchakko, the district officer in Khemmarat District, Police Lt Col Niwat Thongchai, the chief inspector, Police Cpt Chamlong Sutthisi, the head of the marine police unit, Sublieutenant Samran Somhom, the head of the naval station, a DAO SIAM reporter, and 200 police officials, MROU [Mekong River Operations Unit] officials and Regional Security Volunteers went and positioned themselves along the bank of the Mekong River where this had occurred. Police Lt Col Niwat shouted to the guerrillas who had seized Mr Bunsong and asked them to release him since his relatives did not have money to pay the ransom. The Thai officials were ready to take action if the situation did not improve. As they were bargaining, they heard M16 and AK rifles being fired from the Lao side and then saw Red Lao soldiers running along the bank on the Lao side. The Thai officials took cover but did not fire back. The two guerrillas saw that the situation was hopeless and so at 1240 hours they released Mr Bunsong. Police Lt Col Niwat ordered Mr Somphon Phimson and Mr Phu Patsakham to take a boat and go pick up Mr Bunsong. When he reached the Thai side, Mr Bunsong said that he felt that he had died and been reborn. Because while he was held captive, the two guerrillas constantly threatened to kill him if his family failed to pay the ransom money. The officials then took Mr Bunsong home. More than 500 villagers were there to welcome him. Police Lt Col Niwat Thongchai, the chief inspector, recommended that the villagers not fish too far out from the bank and that they fish during the times stipulated by government officials.

11943

CSO: 4207/121

## BRIEFS

VIENTIANE CAPITAL BANK DEPOSITS--The participation of all cadres, fighters, state employees, workers and peoples of all ethnic groups in saving deposits throughout Vientiane Municipality throughout 1984 is considered to have been a popular activity that grew with firm steps. According to Vientiane State Bank figures, total deposits up through the end of December last year were more than 4.9 million kip, of which 3.3 million kip were not time deposits, while more than 170,000 kip were time deposits. There were 1.5 million kip in savings lottery sales. Compared to 1984, lottery sales increased by 316.52 percent. The deputy director of the Vientiane State Bank explained that the primary reason making saving deposits grow rapidly was the improvement of the deposit system in basic production areas in combination [with the fact that] all cadres, fighters and peoples of all classes increasingly accepted and understood the economic development policies of the party and the state. Especially in 1984, the party committee and the Vientiane Municipality Administration committee unanimously agreed to allow the Vientiane State Bank to initiate savings deposit contests among the people of all sectors, factories, and seven nearby districts. The savings lottery was set up for wide sales to the people and succeeded very satisfactorily. [Text] [Vientiane PASASON in Lao 24 Jan 85 pp 1, 2] 12597

LUANG PRABANG DISTRICT CO-OPS, YIELDS--Meuang Khai Canton is a canton with a healthy economy and agricultural foundation and is a first class canton among those in the districts and the province of Luang Prabang. There are 25 villages and 3 ethnic groups: 2 villages of highland Lao, 9 villages of midland Lao, and 14 villages of lowland Lao. There is a total of 932 ha of wet land rice fields and 978 ha of dry land rice fields. In particular, the dry land rice field area decreased 1.5 percent. There are 12 agricultural cooperative units with 944 households and 4,572 people, which represents the 51.3 percent of the entire population of the canton who have joined agricultural cooperatives. [These cooperatives] have 817 ha of cultivatable land, which represents 87.6 percent of the cultivatable land. There are 1,200 water buffalo, 360 cattle, 7 elephants, 48 houses, 750 hogs, 287 goats, 112,000 poultry, 17 irrigation systems and 5 good quality concrete reservoirs in the entire canton. On the average, each person in the entire canton's entire population receives a ration of 366 kg of unmilled rice per year for consumption. [Excerpts] [Vientiane PASASON in Lao 23 Jan 85 p 2] 12597

SAVANNAKHET CO-OP DRIVE--In progressively carrying out socialist collective production [Savannakhet Province] has been quite effective in improving and setting up agricultural co-ops. For example, the expected figures for the second meeting of the provincial party committee was 101 units but we were able to set up 117 new co-ops or 15.8 percent of the plan. Now we have 164 units of both new and old agricultural co-ops throughout Savannakhet Province. They work systematically. They also set up and expanded a total of 180 solidarity and labor exchange units to build a foundation for further agricultural co-ops in following years. [Excerpts] [Vientiane PASASON in Lao 22 Jan 85 p 2] 9884

LPA CAUGHT SMUGGLING--At 1230 hours on 18 January, Police Col Chuangchai Satchaphong, the police superintendent in Loei Province, received a radio report from Chiang Khan District stating that at approximately 2100 hours on 17 January, while Cpt Kriangsak Suksai, the head of the MROU [Mekong River Operations Unit] patrol unit in Chiang Khan District, was on a routine patrol along the Mekong River, when he reached the Kaeng Khotkhu area, a well-known tourist spot in Loei Province, he saw two rowboats crossing to the Thai side from Laos. He signaled them to stop for inspection. But the people rowed quickly and landed on the Thai side. The MROU officials pursued them. The men who were fleeing fired at the officials using AK rifles. Private Siu Nuchuai, age 24, was hit in the chest and seriously wounded. Officials took him to the Chiang Khan District Hospital, where he died. Thai officials managed to capture two of the Lao men who had fled. During the interrogation, they were identified as Mr Sinuan and Mr Kaeo Chanthasubin, age 20. They were Lao soldiers who were stationed in Sanakham District in Vientiane Province. Officials searched them and found orders for medicines, clothing and various war materials valued at 60,000 baht and 5,100 baht in cash. Cpt Kriangsak turned them over to Police Sublieutenant Chalasins Chalalai, the officer on duty at the provincial police station in Chiang Khan District for further handling of the case. [Excerpt] [Bangkok THAI RAT in Thai 19 Jan 85 pp 1, 7] 11943

PSS CAREER PATH--The name of Comrade Bounleun Alounthiseng is familiar to everyone throughout Houai Saimoun School in the General Public Security Service regiment under the Ministry of Interior in Vientiane. He is exactly 28 this year. His responsibility is as /assistant chief of his group/. He is from Ban Met, So Hia Canton, Vapi District, Saravane Province. He joined the PSS in 1975 and was a soldier in Saravane Province until 1983. He was then assigned to the central police. In December 1983 the department sent him to study in the Ministry of Interior. He is highly decisive and shoulders all tasks assigned by the higher echelons. He has the best marks in his studies, and he likes to study. That is why he is the one who tutors those who need help within his group, resulting in the glorious success of the duties of his group. When the academic year ends they have become good students and also active in /curriculum No 4/. /Text/ [Vientiane VIENTIANE MAI in Lao 8 Jan 85 p 2] 9884

CSO: 4206/84

## U.S. POLICY DISRUPTS TEXTILE TRADE

Kuala Lumpur BUSINESS TIMES in English 22 Jan 85 pp 1, 22

[Article by Sharif Haron]

[Text] THE uncertainty created by the US government's decision to impose countervailing duty on Malaysian textiles for alleged subsidy has disrupted the textile trade between the two countries.

The US decision had imposed an unnecessary burden and resulted in significant expense to the Malaysian industry.

Haji Ahmad Saadi, the Deputy Secretary-General of the Ministry of Trade and Industry, told reporters after yesterday's morning session of the second round of talks with the US on the new textile agreement that the action should never have been taken in the first place.

It came at a time the US government had taken other actions to impede the imports of textiles into the US.

"Such actions threaten to undermine the cooperative nature of US-Malaysian trade relations and nullify the advantages of the existing bilateral and multilateral agreements regarding trade in textiles."

Malaysia, one of the developing countries liable to countervailing duty should the allegations be proved, has begun preparations to answer the charges.

The US Commerce Department's final decision would be delivered in March as investigations into the matter are not over yet. The department completed last week an extensive two-week verification of information submitted by the Malaysian government and the Malaysian textile industry.

Two officials from the department spent several days in Kuala Lumpur and Penang, meeting officials of various government agencies, including Bank Negara, the Inland Revenue Department, the Customs Department and the Treasury. They also reviewed

company records of seven Malaysian exporters to determine if they had been subsidised.

Preliminary findings by the US Department of Commerce based on the information given by the Malaysian government and the textile industry show that the subsidy level given to textile exporters was *des minimus*.

Other Asean countries were found to provide no or very small subsidies except for Thailand, 6.01 per cent for textiles and 2.03 per cent for garments.

But this was still a far cry from the figures for

Argentina, 22.01 per cent for both textile and garments, and Turkey 15.77 per cent and 16.97 per cent respectively.

Haji Ahmad said notwithstanding the final outcome of the case, the Malaysian government was deeply concerned over the matter and was of the view that the entire investigation had been unwarranted under the terms of the US law and international norms.

"It is our considered view that the US should not have initiated the investigations in the first place."

He added that the original petitions by the American Textiles Industry Workers Union were impermissibly broad and the petitioners did not provide even basic information to demonstrate their ability to file such an action.

"Even within the US, there is growing opposition to the petitions, especially from consumers and textile traders."

Asked on the probable outcome of the March hearing, Haji Ahmad expressed confidence that the final determination would confirm the preliminary findings. He said the government, and the textile industry assisted

MALAYSIA has agreed in principle to establish palm oil and timber-based joint ventures in Oman.

This agreement was reached at an hour-long meeting in Kuala Lumpur yesterday between Deputy Minister of Primary Industries Megat Junid Megat Ayub and Omani Ministry of Trade and Industry Under Secretary Ahmad Nabbi Macki.

Mr Ahmad was in Kuala Lumpur reciprocating a visit to Oman by Megat Junid late last year. The Deputy Minister was then on a three-week trade mission to West Asia and North Africa.

Megat Junid told reporters that his ministry had proposed to Oman several local firms, which held individual meetings with Mr Ahmad and his delegation later in the day.

The proposed timber-based joint venture will be for manufacturing office and school furniture. Since Oman is now fast developing, it will

need a massive supply of such items.

The proposed palm oil joint venture is expected to be a packaging factory for Malaysian refined oil to supply the domestic market and the nearby Gulf states.

Excited about the attractive offers from the Oman government for the proposed joint ventures — including interest-free financing for 20 years — Megat Junid hoped more local companies would explore investment opportunities in Oman.

Oman also requested Malaysia to provide training for its civil servants. Officials from the National Institute of Public Administration (Intan) would be sent to Oman for the purpose. At a later date, training may also be conducted at Intan's headquarters in Kuala Lumpur.

Megat Junid said Oman had also sought Malaysia's help in the training of its police officers, especially those in the special branch and anti-corruption units.

CSO: 4200/566

## INCENTIVES OFFERED TO SINGAPORE INVESTORS

Kuala Lumpur BUSINESS TIMES in English 17 Jan 85 p 1

[Text]

SINGAPORE, Jan. 16  
INCENTIVES and special terms to be offered to Singapore companies investing in Malaysia are expected to be spelt out in detail at a conference on Malaysian business opportunities to be held here on Jan. 24.

Finance Minister Daim Zainuddin said last week that Singapore companies would be treated as "special cases" under Malaysia's New Economic Policy.

\* Businessmen here said today that the Minister of Trade and Industry, Tengku Razaleigh Hamzah, who will open the conference, would speak on the subject at length.

They said that this "special offer" would definitely encourage Singaporeans to invest more in Malaysia but added that much would depend on the nature of the incentives.

The businessmen said many of Singapore's labour-intensive companies were already thinking of moving to Malaysia in view of the labour shortage here.

The conference is aimed at international investors, bankers and industrialists and will discuss prospects and potential joint venture

projects in industrial development, tourism, real estate, property development and agro-based industries.

Potential investors will be briefed on the favourable investment climate in Malaysia.

Among top speakers will be secretary-general of the Ministry of Agriculture Datuk Alwi Jantan, secretary of the Foreign Investments Committee Haji Khalid Mohd. Nor and Registrar of Companies, Haji Zulkipli Mohd. Nor. — Bernama

## JAPANESE INVESTMENT REORIENTATION PLANNED

Kuala Lumpur BUSINESS TIMES in English 22 Jan 85 p 1

[Article by Charles Chan]

[Text] THE Japan External Trade Organisation (Jetro) is trying re-orientate Japanese investments in Malaysia in view of criticisms of Japanese "overpresence" in the business sector.

One way it is going about to achieve this is to advise Japanese companies to opt for licensing arrangements with Malaysian companies instead of equity participation in projects.

That many companies had taken this advice to heart could be seen from the phenomenon of new supermarkets run Japanese-style, said Mr Hiroki Sakamoto, the out-going managing director of Jetro's office in Kuala Lumpur.

In a farewell interview yesterday, he said the Malaysian public generally assumed that supermarkets like Kimisawa were Japanese entities.

"But actually, the Japanese partners own only a small part of the equity. Their main contribution is in the licensing arrangement and their expertise in managing these ventures," he said.

"I also discourage Japanese companies from participating in sensitive sectors of the economy, like construction," he said.

He acknowledged all the Japanese construction companies operating overseas had also been active in Malaysia.

"However, there is a po-

sitive aspect to the overpresence of Japanese construction companies. Their competitiveness has forced local construction companies to work faster. This is a plus."

Mr Sakamoto, who left last night for Tokyo after serving more than three years in Malaysia, said it was important for Malaysia to step up its development of small and medium industries.

"Malaysia is now at the second stage of its industrial development — it is switching from import substitution to heavy industries."

"But such major industries need the support of many small and medium industries to survive and

prosper. Unfortunately, in Malaysia, small and medium industries are generally associated with backyard, cottage industries.

"What I am referring to is the establishment of modern and sophisticated small and medium industries," Mr Sakamoto said.

He said investments by Japanese companies in this sector should be encouraged but at the moment, the industrial climate was not too encouraging.

However, they could still contribute through licensing arrangements with Malaysian companies.

CSO: 4200/566



## TRADE TIES FAVOR JAPAN: FOREIGN MINISTER

Kuala Lumpur BUSINESS TIMES in English 23 Jan 85 p 24

[Article by Fauziah Haji Ismail]

[Text] EXISTING trade ties between Malaysia and Japan have been one-sided, with Japan receiving but not giving, Foreign Minister Tengku Ahmad Rithauddeen said.

To remedy the situation, Malaysian exporters should diversify and adopt aggressive marketing strategies to earn more foreign exchange for the country.

Tengku Rithauddeen said exporters should not only concentrate on industrial countries, although they have the maximum purchasing power, but should also look to countries in Africa and the Pacific.

He was speaking to reporters after meeting with a 13-member delegation from Japan's powerful Federation of Economic Organisations (Keidanren) in Kuala Lumpur yesterday.

The Keidanren mission, led by its chairman, Mr Yoshihiro Inayama, is in Malaysia for a four-day visit during which they will have discussions with government and business leaders. Malaysia is the first stop in their tour of Asean.

The visit has been organised in response to complaints by developing countries, including

those in South-East Asia, of restrictions placed by Japan on the import of manufactured products as well as of Japanese reluctance to share technological knowhow or encourage development of manufacturing industries.

Tengku Rithauddeen briefed the delegation on the difficulties Malaysia encountered in penetrating the Japanese market.

Tengku Rithauddeen said 80 per cent of Malaysia's trade with Japan was based on primary commodities. Japan also imposed tariffs and quotas on Malaysian goods.

He said the tariffs on Malaysian edible oils and quotas on sawn timber were against General Agreement on Tariffs and Trade (Gatt) principles on equal tariff barriers imposed to all countries.

Japan had imposed a three per cent tariff on edible oil and placed quotas on sawn timber which differed from country to country.

The Japanese delegation was also briefed on Malaysia's foreign policy which is economic-oriented.

RISE IN 1984 PALM OIL PRODUCTION NOTED

Kuala Lumpur BUSINESS TIMES in English 17 Jan 85 p 20

[Text] PENINSULAR Malaysia's production of crude palm oil (CPO) rose by 625,694 tonnes or 22.5 per cent to 3,408,648 tonnes in 1984 from the previous year.

Government statistics released yesterday also showed that 283,868 tonnes was produced in December 1984, 88,567 tonnes lower than the previous month but 106,558 tonnes higher than the December 1983 output.

Sabah produced 266,428 tonnes during 1984, up 31.4 per cent from the 1983 output.

Sarawak's production for last year rose to 42,056 tonnes from 32,719 tonnes in 1983.

Peninsular Malaysia produced 966,546 tonnes of palm kernel in 1984, up

24.5 per cent from the previous year.

As for palm kernel oil, Peninsular Malaysia produced 414,672 tonnes in 1984, up 42,593 tonnes from 1983, while production of palm kernel cake totalled 530,078 tonnes, up 53,050 tonnes from 1983.

Exports of processed palm oil (PPO) for the first eleven months of last year dipped marginally by 0.7 per cent to 2,580,272 tonnes from the previous year.

Singapore was the main buyer during the period taking in 725,411 tonnes while second-placed India bought 526,986 tonnes followed by Pakistan which imported 182,819 tonnes from Peninsular Malaysia. — Bernama ES

CSO: 4200/566

## JAPAN TO BUY MORE MALAY NATURAL GAS

Kuala Lumpur NEW STRAITS TIMES in English 24 Jan 85 p 10

[Text]

**KUALA LUMPUR, Wed.** — Japan will increase its purchase of liquefied natural gas (LNG) from Malaysia to six million tonnes from April this year, the leader of the visiting Keidanren (the Japanese Federation of Economic Organisations) mission, Yoshihiro Inayama, said today.

Speaking at a Press conference, he said that from April last year to March this year Japan imported 3.8 million tonnes of LNG from Malaysia.

Out of the six million tonnes to be purchased, Tokyo Electric Company would take up four million tonnes while Tokyo Gas Company would account for the remainder.

This arrangement would continue for the next 20 years, he said.

Mr Inayama said this would contribute greatly to Malaysia's balance of trade with Japan which he admitted at the moment was "lopsided".

The Keidanren mission comprises some of the top-brass company bosses in Japan.

Mr Inayama, who is also the chairman of Nippon Steel Corporation pointed out that mission

members were also now fully aware of the "irritation" on the part of the Malaysian Government about economic relations between both countries.

As he put it: "We understand that this irritation is due to our failure to fully meet the expectations of the Malaysian Government."

Mr Inayama also disclosed that Finance Minister Daim Zainuddin had invited Japanese investors to take part in the privatisation of utilities and infrastructure sectors of Malaysia.

Encik Daim had also expressed Malaysia's wish to obtain a fifth yen credit but no amount was mentioned.

On the Minister's invitation to take part in the privatisation of electricity and gas supply, he added that this was the first time the Japanese were being informed of this.

"It seems good as Malaysia wants to also study how we have successfully done this back home," he added.

### Unavoidable

On Japan's high tariff on Malaysian palm oil and plywood, Mr Inayama explained that Japan had a difficult role to play in that it had to strike a balance between protecting its industry and its international commitment.

The tariff on palm oil had already been reduced to three per cent and could be further cut but this move would face severe objection from Japanese farmers who "do not hesitate to demonstrate their anger through protests".

"These farmers also go to the extent of organising a campaign to boycott products manufactured by members of Keidanren just because we voiced the plight of other countries in asking for import relaxation for certain goods from foreign countries."

"Only the Government has the power and courage to take drastic actions to override this protest and it was not easy to cut through these conflicting interest and achieve harmony simultaneously," Mr Inayama added.

When asked why Japanese contractors, after securing most of the big projects in Malaysia, also chose to bring in Japanese building materials, he said this was unavoidable.

"We are aware that this is happening but the terms of the tender, efficiency and cost of the project make it inevitable for us but to use our own material at times."

## CHINA URGED TO CUT TIES TO MALAY COMMUNISTS

Kuala Lumpur NEW STRAITS TIMES in English 16 Jan 85 p 2

[Text] KUALA LUMPUR, Tues.—Datuk Seri Dr Mahathir Mohamad urged China today to end its backing of communists in Malaysia.

Dr Mahathir, who hopes to visit Peking this year, said: "We would like to see China publicly withdraw its moral support for communist

groups in Malaysia."

Chinese Foreign Minister Wu Xueqian said during a visit to Malaysia last February that his Government could not break links with political parties with the same beliefs.

The Communist Party of Malaya, operating along the Thai-Malaysian border, has several

hundred mainly ethnic Chinese members, according to Malaysian military intelligence.

The Government has said Peking ended material support to the CPM when China and Malaysia established diplomatic relations in 1974.

Dr Mahathir said today: "The Chinese have toned down their support

considerably (for the CPM)."

Malaysians say Sino-Malaysian relations are harmed because China maintains moral support for the guerillas, who waged a campaign of subversion against Malaysian and Commonwealth forces from 1948 to 1960.

Dr Mahathir said most of Malaysia's five million ethnic Chinese were loyal citizens but a few were prone to outside influence. "That is why we regard China as a major problem here," he said.

## Loyal

Malaysia is still suspicious of what it sees as China's potential military threat in Asia. It has sought reassurances from Washington that closer Sino-U.S. ties and more Western help for China's economic and military modernisation would not increase that threat.

It has also urged the United States not to regard China as the sole check to Soviet military expansion in the region.

Dr Mahathir said relations between Kuala Lumpur and Peking were "as good as they can be considering we have two very different ideologies." He said he had no plans to lift restrictions on Malaysians visiting China. — Reuter.

## ARMY URGED TO GREATER EFFORTS AGAINST COMMUNISTS

Kuala Lumpur NEW STRAITS TIMES in English 18 Jan 85 p 8

[Text] KUCHING, Thurs. — Despite the dwindling number of Communist terrorists in Sarawak the security forces continue their strategy of harassment and keeping the enemy on the run.

This has forced the terrorists to take refuge in the jungles of Kalimantan, across the Sarawak border.

Deputy Inspector-General of Police Datuk Abdul Rahman Ismail told a Press conference last night that the security forces were aware that the terrorists were adopting a low profile in order to "preserve and conserve their strength."

There are less than 100 terrorists in Sarawak, but since they pose a threat the security forces will continue to seek them out.

"Their number is dwindling and they should come out to rejoin society. They should follow the footsteps of their former comrades who surrendered during Operation Sri Aman and went on to integrate with society," he added.

Datuk Rahman said that there was a two per cent increase in crime this year but a drop in police reports — from 39,805 in 1983 to 34,735 in 1984.

The number of murders in Sarawak dropped from 30 in 1983 to 23 last year while robbery with the use of firearms also decreased from the previous year's

six to five.

"We solved 20 of the 23 murder cases, a very high record indeed," added Datuk Rahman who said that 34 people were arrested in the course of investigations.

The value of stolen property however increased by \$2 million — \$6.1 million in 1983 to \$8.1 million in 1984.

In its fight against gambling, Sarawak scored a success with the seizure of \$280,000 during raids last year compared with \$109,000 in 1983. The number of arrests made on this account increased from the previous year's 1,001 to 1,426 last year.

Sarawak police reported a decrease in arrests involving vice. In 1983 they picked up 878 women suspected to be involved in immoral activities compared with 761 last year.

Dadah hauls have also increased. About 482.3gm of heroin last year was confiscated compared with 13.8gm in 1983. According to police the heroin seized last year could have given addicts more than 100,000 shots.

The amount of opium seized dropped from 1,390gm in 1983 to 12.4gm

last year but the confiscation of cannabis (ganja) increased from 419.6gm in 1983 to 703.3gm last year. The number of psychotropic pills seized increased from 762 to 5,502.

Datuk Rahman said the dadah situation in Sarawak is well under control due to the authorities' constant pressure.

He took pride in the fact that there were only 400 registered addicts in Sarawak.

"We know that drugs enter Sarawak via Kuala Lumpur and that is why we are always keeping a close watch on all the entry points. We even have two narco (narcotics) dogs in Miri to deter smuggling in the northern region."

## NAVAL AIR ARM PLANNED

Kuala Lumpur NEW STRAITS TIMES in English 16 Jan 85 p 5

[Text] **KUALA LUMPUR, Tues.** — The Royal Malaysian Navy (RMN) is expected to have an air wing in 18 months, the Defence Ministry said today.

The first batch of 12 flying officers are now undergoing training at the Royal Malaysian Air Force helicopter training school in Kluang. The course will take one and a half years.

As to what type or the number of helicopters the RMN will acquire, a Mindef spokesman said no decision on this had yet been made.

"This aspect of the formation of the RMN Air Wing is not finalised yet," he said.

Most of the officers on pilot training were from RMN ships — *K.D. Indrasakti*, *K.D. Mahawangsa*, *K.D. Hang Tuah*, *K.D. Rahmat*, *K.D. Serang*, *K.D. Pelandok*, *K.D. Yu* and *K.D. Jarom*.

RMN chief Laksamana Madya Datuk Mohamed Zain Salleh announced in June 1983 that the navy had planned to set up a

helicopter unit soon.

He said the pilots had to come from the service because they had to understand the principles of naval warfare and the navy's role in the defence of the country.

"If we always use RMAF pilots, there is no continuity in tactical and naval procedures."

Datuk Mohamed Zain said navy helicopters need not be seaborne all the time but could be stationed at naval bases.

Helicopters have become part of the navy arsenal to detect and destroy enemy ships and submarines with missiles, rockets, mines, torpedoes and cannons.

## MAHATHIR DEPLORES RELIGIOUS FUNDAMENTALISM

Kuala Lumpur NEW STRAITS TIMES in English 16 Jan 85 p 2

[Text] KUALA LUMPUR, Tues. — Prime Minister Datuk Seri Mahathir Mohamad today deplored what he called the rise in Muslim fundamentalism and racial enmity, especially among young Malaysians.

In an interview with *Reuter*, Dr Mahathir accused Opposition parties and Islamic fundamentalists of exploiting ethnic issues for political ends and stirring up religious sentiments among the country's Malay, Chinese and Indian population.

He said the fundamentalist Parti Islam Sa-

Malaysia (Pas), which has stepped up its campaign for an Islamic administration, seemed to be increasing its appeals to the young.

"In universities, in schools and in certain services Malaysians (of different races) have been urged to stay apart," the Prime Minister said.

"We are not unduly worried but of course we would like to see that it does not increase substantially because it can have a very bad effect on the future of Malaysia."

He agreed Pas had secured wide publicity for its views in the past year but said it was difficult to

tell whether this would be translated into votes at a general election.

Its leaders attack Dr Mahathir's 11-party multi-racial coalition for its "un-Islamic" way of running Malaysia.

Dr Mahathir, who has promised to instil Islamic values into his administration, rejected Pas demands for an Islamic Government opposed to the concept of a secular, materialistic and nationalistic State.

"We do not consider Pas demands as Islamic ... so there is no question of meeting them. We recognise that in this country 50 per cent of the

population are non-Muslims. We are not going to force upon them anything that is not acceptable to them," he said.

Nevertheless, the Government has introduced reforms based on Islamic principles and set up an Islamic bank and an international Islamic university.

Religious communities have become more prominent and men in Arab-style robes and women wearing full head-covering are evident on the streets of Kuala Lumpur.

Dr Mahathir does not believe this shift towards Islamic conformism is a backward step. "There has been a shift especially from the point of view of appearances. But it is not a retrogressive shift.

It is merely a manifestation of a renewed faith in religion and that is not bad in itself," he said.

"But we have people who are extreme in their views and these are the people who seem to make an impact. They are a minority but their views are given a much bigger airing than (those of the) majority who have a sincere desire to practise Islam as it should be practised."

A group of students from the Universiti Kebangsaan Malaysia (UKM) forced the university authorities to call off the show by Sudirman Arshad which they claimed would be un-Islamic.

"This was an unfortunate incident," Dr Mahathir said. "This happened because these are young people whose understanding of Islam is very minimal. Unfortunately they threatened people who, again unfortunately, caved in."

Dr Mahathir accused Pas of fomenting trouble among students particularly those studying abroad.

Some politicians have called for the withdrawal of scholarships of students who criticise Government policy.

Dr Mahathir said the Government appreciated constructive criticism but added: "This is criticism which is initiated by

political parties for their own benefit. We do not see why we should support students who are not an asset to the country."

— *Reuter*

## PAS SUBVERSION OF EDUCATION DEPLORED

Kuala Lumpur NEW STRAITS TIMES in English 18 Jan 85 p 3

[Text] JABI, Thurs. — Pas' attempt to discredit the national education system is subversive, Education Minister Datuk Abdullah Ahmad Badawi said today.

He said the education system which had brought much benefit to the country had been described by Pas as a system of infidels, Jews and tyrants.

The party's attempt to instil fear among the people to discourage them from sending their children to school made him more sad than angry, he said.

"Education is the most important of all development projects carried out by the Government. Before electricity and water supply reaches the remotest area in the country, there is already a school."

Without knowledge and wisdom, man would not know how to utilise all that God's grace made available, he added.

What Pas followers were doing reflected the

shallowness of their knowledge and wisdom and their lack of appreciation and gratitude for the things God gave mankind.

Speaking after laying the foundation stone of the Sekolah Menengah Kebangsaan Pokok Sena (2) near here this morning, Datuk Abdullah also expressed surprise over the double standards of the Pas leaders.

They were actively trying to influence Malaysian students overseas to join them and op-

pose the Government led by Datuk Seri Dr Mahathir Mohamad.

"But don't they realise these students are the result of the very education system they want the people to reject?"

"This clearly shows that Pas is bankrupt of ideas and they will resort to anything, including subversive acts, just to oppose the Government."

He said schools were another form of God's grace and all true Muslims must be thankful to God for giving the nation's leaders the vision to carry out educational programmes throughout the country.

He said the Government would spend \$3,700 million on educational programmes under the present Budget, an amount which exceeded allocations to other Ministries.

In Padang Terap alone, the Government had set up 20 schools, including three secondary schools, whose 377 teachers taught 7,269 students.

"What else does Pas want? If it is responsible, it should assist the Government in implementing its programmes."

The Minister said Pas should not do things which could undermine the Malays and Muslims.

CSO: 4200/566



COMMENTARY ON UPCOMING SAMOA ELECTION

HK210658 Wellington Overseas Service in English 2305 GMT 20 Feb 85

[From the "Midday Report" Program]

[Text] Western Samoa's prime minister Tofilau Eti could lose his job even if his Human Rights Protection Party wins this Saturday's general election. Our reporter in Apia, (Tino Perera), says the party's leadership will be considered after the election, a move promoted by Tofilau himself.

[Begin (Perera) recording] Some Human Rights Protection Party sources say Tofilau's move was purely a tactical one to show party supporters that he will only be party leader if they really needed him. But the real reason seems to be the keen interest shown by some senior cabinet ministers for the prime minister's job. One name that's being bandied around is that of education minister Mamea Ropati, a young and popular politician. There's also been speculation expressed privately here that the former prime minister and first leader of the party, Vaai Kolone, may want the job back. Known as the old man of Samoan politics, Kolone stepped down as prime minister and leader of the Human Rights Protection Party about 2 years ago following a corruption claim against him in the 1982 election. But while Kolone's challenge for the leadership has not been confirmed, party sources say there is still strong backing for Tofilau Eti.

Meanwhile the lead up to polling day has been described by some political observers here as unusually calm. The meetings held by the two political parties have been for supporters only. The two leaders have only made one public speech each, and even the country's only radio station, which is government-owned, has yet to run a story on the election. The station's only reference to the election so far this week has been a reminder about polling day.  
[end recording]

CSO: 4200/564

REPORTAGE ON CONTINUING REACTION TO NUCLEAR SHIP BAN

Visitor on UK View

HK210200 Wellington Overseas Service in English 2305 GMT 20 Feb 85

[From the "Midday Report" Program]

[Text] The British minister for defense procurement, Adam Butler, has been here trying to sell our defense forces a new frigate and equipment for our fleet of Skyhawk aircraft. But he's also discussed the row over ANZUS, and told a news conference this morning he's had a frank exchange of views with our minister of defense, Frank O'Flynn. Mr Butler said he had left Mr O'Flynn in no doubt about the British Government's attitude:

[Begin Butler recording] The New Zealand Government has taken a decision in line with the manifesto with which it fought the election, and this has now become quite clearly a practice, with the denial of access to the Buchanan, and our concern is that this is not helpful to the overall defense of the West. On the other hand, we acknowledge obviously the total freedom of the New Zealand Government to make moves of this sort. Equally, I am quite certain that they acknowledge our right to express a judgement on it, and I do accept that these exchanges have been as between two very close friends. And on our part a recognition of what New Zealand, the part which New Zealand has played in the defense of the free world over the years, and a recognition on acceptance of what has been said to me on this visit and on other occasions that contribution will continue in the non-nuclear context. [end recording]

Mr Butler indicated that Britain may request a visit here for one of its own navy ships next year. He says Britain has the same policy as the United States of neither confirming nor denying the presence of nuclear weapons.

Thousands' Rally in Support

HK150244 Wellington Overseas Service in English 0200 GMT 15 Feb 85

[Excerpts] Thousands of Wellingtonians attended a rally in the grounds of Parliament at lunchtime today to thank the government for its nuclear stand.

A smiling Deputy Prime Minister Geoffrey Palmer told the cheering crowd that once the people took a stand behind the government, that stand will prevail. He thanked the crowd for its demonstration of moral support. Posters and balloons were everywhere at the rally, all supporting the government. Banners read "Lange lionheart" and "Lange [words indistinct]."

#### Lange Warns USSR on Driving Wedge

HK220552 Wellington Overseas Service in English 0500 GMT 22 Feb 85

[Text] The prime minister has delivered a warning to the Soviet Union not to use New Zealand's antinuclear row with the United States for propaganda purposes. Mr Lange called in the Soviet ambassador this afternoon and told him that some TASS reporting on the issue had been incorrect and designed to drive a wedge in the Western alliance.

Mr Lange says he told the ambassador the details of the issue and assured him that New Zealand remains on friendly terms with the U.S.A. and that he would not like to see New Zealand-USSR relations soured by improper use of the New Zealand stand.

He said the ambassador received the rebuke diplomatically and will transmit it to his superiors in Moscow.

CSO: 4200/564

NEW ZEALAND

BRIEFS

PARLIAMENTARY ELECTORAL SYSTEM REVIEW--The government has set up a Royal Commission which will look into all aspects of parliamentary elections. It is to be headed by the chairman of the [words indistinct], Mr Justice Wallace. The minister of justice, Geoffrey Palmer, says the electoral act is the most basic part of New Zealand's constitutional law, yet it has not been reviewed since 1956, and it's time for a reexamination. Among the issues to be dealt with will be the law and practices governing elections, proportional representation, state funding of political parties, and the number of members of Parliament and the parliamentary term. Methods of working out electoral boundaries, the nature and basis of Maori representation, and the extent to which referenda should be used will also be examined. The commission has until October next year to report back to the government. [Text] [Wellington Overseas Service in English 0500 GMT 20 Feb 85 HK]

CSO: 4200/564

# SHUTDOWN OF OK TEDI ORDERED

Port Moresby PAPUA NEW GUINEA POST COURIER in English 1 Feb 85 p 1

[Article by Noel Pascoe]

[Text]

## Cabinet yesterday gave Ok Tedi Mining Limited 30 days to shut down the gold mine in "a gradual and orderly fashion."

The formal notice is expected to be delivered to the mine's management this morning.

Cabinet decided to issue the order on the grounds that OTML had failed, as agreed, to commit 50 per cent of the cost of a permanent tailings dam by midnight last night.

The company has also refused to commit money to a 50 megawatt hydro power plant and a copper ore processing mill.

The Prime Minister's Department and other key departments were reportedly besieged yesterday with requests from shareholders' representatives for more talks.

But "the time for talking is over," said one senior official. "They had their chance, with plenty of preparation time, but failed to give us anything at all this week."

"They have 30 days to show us their real intent, before the shutdown takes full effect," indicating there was still time for a compromise.

Cabinet sources said the decision resulted from lengthy discussions and concern about the possible ramifications, locally and overseas.

But the final decision was unanimous, with ministers feeling the company had been treated generously already.

They said Cabinet's decision applies only to the gold mine and leaves the way open for the company to maintain "holding operations" with some or all staff, pending further negotiations.

OTML will be given 30 days to conclude gold mining and processing to ensure that there is as little disruption as

possible.

Gloomy company officials, expecting the decision after inconclusive board room talks on Wednesday, waited all afternoon yesterday for the notice.

They refused to comment until officially notified, but one officer was concerned about the effects on morale at

the Tabubil and Kiunga sites.

Meanwhile, the Ok Tedi Mining National Staff Association last night made four demands following news of the pending closure.

They are:

- Full pro-rata plus other benefits to be paid to all national mine employees;

- The Government and Ok Tedi redeploy staff currently employed by Ok Tedi;

- Government to order schools throughout PNG to accept late enrolment of children of Ok Tedi employees; and

- Ok Tedi to insure and transport all personal and household effects.

The association secretary, Mr Remy

Oembari, said employees would refuse to move out of the company houses if the demands were not met.

Mr Oembari said all national workers would meet today to discuss the issues. The meetings will be held at Tabubil, Kiunga and Port Moresby.

SOMARE EXPLAINS OK TEDI ACTION

Port Moresby PAPUA NEW GUINEA POST COURIER in English 4 Feb 85 p 2

[Text]

**Ok Tedi Mining Ltd is like "a little boy who has been given a plate of tinned fish and rice," Mr Somare said last night.**

"They just want to eat the fish (reference to gold) off the top and leave the rice (copper) behind," the Prime Minister said.

Mr Somare went on radio last night and in three languages — English, Pidgin and Motu — explained the reasons for the Government's decision to close the mine by the end of this month.

And he pledged to look into ways of helping anyone suffering real personal hardship because of the decision.

"We believe the reasons for this (refusal to mine copper) are more complex than just the low current price of copper," he said.

"The whole development of the mine has not worked as smoothly as it should have.

"We also know that at least one major shareholder does not want to continue investment.

"I wish to assure the people of the area, the government of Fly River Province, employees and affected businessmen that we will examine means of providing assistance in any case of extreme personal hardship."

Mr Somare said the Government was determined to protect the valuable resource for all the people of PNG. It knew a long-term project was viable and wanted all the benefits that would bring in terms of jobs, income and facilities.

"The Government has made this decision now because we are in a strong position to protect the resource.

"Very little gold has been mined — less than one per cent of the gold in the mountain has been mined and none of the copper."

CSO: 4200/567

GOVERNMENT REASSURES FOREIGN INVESTORS ON OK TEDI

Port Moresby PAPUA NEW GUINEA POST COURIER in English 4 Feb 85 p 2

[Text] **The Government is making an all-out effort to convince overseas investors they should not be discouraged by the breakdown in operations at the Ok Tedi gold mine.**

Senior officials said Prime Minister Mr Somare's information unit and diplomatic staff would be working strenuously to convince investors and overseas governments of the "reasonableness" of Waigani's shut-down action.

Minerals and Energy Minister Mr Francis Pusal said the overseas mining and financial community should be assured that PNG still had a positive attitude toward foreign investment.

"This is a purely commercial and legal dispute. It has no ideological content and has no bearing on other contracts or arrangements.

"Papua New Guinea still welcomes foreign investment."

The order calls for a complete stop to gold processing by February 28, with a halt to input of ore by February 10.

Finance Minister Mr Bouraga said: "Hopefully, within the (28-day) period, the company will provide something definite."

Asked about the possibility of years of legal dispute, Mr Somare said: "We still have

room to talk with the company.

"It would be bad for the shareholders as well as the Government. I'm sure there will be some reasonable thinking in the next 30 (sic) days."

Finance Minister Bouraga downplayed the effect of a long-term shutdown on the 1985 national budget.

The nation did not stand to get much in direct income in the early years of the mine, only about K5 million in

various sources, he said. But the Government might not have to raise K15.7 million in loans.

If the project could not be rescued, the Government could possibly face debts of up to K120 million in loans and guarantees on loans, he said.

"The Government is fully committed to the overall development of the project and we believe it is viable," he said.

"I personally believe a commitment to develop it stands. We cannot waver from that."

Mr Somare said OTML had failed to honor its commitments in the contract and an extended deadline.

"We believe the reasons for this are more complex than just the low current price of copper. The whole development of the mine has not worked as smoothly as it should have."

## PAPER DRAWS VIETNAM COMPARISON ON U.S. ADVISER ROLE

Quezon City ANG PAHAYAGANG MALAYA in English 28 Jan 85 pp 1, 6

[Article by Teodoro Benigno]

[Text]

MANILA (AFP) — The Philippines faces the grim prospect of being another Vietnam if US military advisers should eventually come over to train local forces battling a fast-growing communist insurgency, experts here said.

Foreign Minister Arturo Tolentino let the cat out of the bag on Thursday when he told the foreign press here the United States could provide aid outside of the \$900 million five-year package for the use of two military bases here.

"The assistance that I can see," Mr. Tolentino said, "will not be real armed assistance. It will be simply perhaps in the form of advisers or training of officers and members of the armed forces, and perhaps improvement of some equipment."

The Tolentino statement, according to experts, is a throwback to America's involvement in the Vietnam war which started with improvement of military equipment to help the Saigon regime cope with the communist Vietcong and Viet Minh rebellion.

After equipment improvement under the administration of President Dwight Eisenhower came the sending of US military advisers and troops by President John F. Kennedy, and eventually more troops by Presidents Lyndon

Johnson and Richard Nixon.

At its peak, the war saw 500,000 American combat troops in Vietnam. The United States, despite its tremendous involvement in soldiery and equipment, eventually lost the war in 1975.

Ignored and even belittled by President Ferdinand Marcos three years ago, the New People's Army (NPA) — the armed force of the banned Communist Party of the Philippines (CPP) — now boasts over 10,000 fully armed guerrillas, almost double the 6,000 force it had in 1982, according to semi-official estimates.

Today, almost everybody is sounding the alarm bells and top US state department and Pentagon officials, not to mention a cluster of American experts, have come over to size up the NPA threat.

As to the possibility of US military advisers coming over, US Embassy spokesman Al Croghan told Agence France-Presse what was being envisaged by the US was a "comprehensive program" in military assistance to the Philippines.

This program "might require special handling" of equipment and so military advisers "can come over for a while to train" Philippine troops under the aegis of the Joint US Military Assistance Group (JUSMAG) based here, Mr. Croghan said.

The US Embassy spokesman made it clear, however, that no US military advisers would come over to directly "cover the insurgency situation" and that the training "is just part of America's Assistance Program."

Although Mr. Croghan was clear and categorical, experts pointed out such training could involve equipment and arms to be used by the Philippine military against the NPA, particularly helicopters, mini-tanks and even rockets.

US concern is understandable because its two largest overseas military bases, Subic Bay Naval Base, homeport and repair yard of the 7th fleet and Clark Air Force Base, 13th Air Force Headquarters, are within a 60-mile radius from Manila.

As the NPA danger mounts and comes closer as an attacking force to Philippine cities and main towns, principally Manila, the United States could be compelled to act as it did in Vietnam, observers say.

A self-avowed hawk with regard to American intervention in Vietnam, President Ronald Reagan is expected to intensify US concern if the NPA insurgency grows to national proportions and military advisers could just be a first step, they add.

But whether the US eventually will come in with combat troops is a huge question mark. Observers say this will depend on four factors which appear to spell out America's emerging policy with regard to direct military intervention abroad:

- America's vital interests are at stake.
- The US congress supports the intervention.
- The American people give their approval.
- The US fights to win.

What complicates the problem is that the US has no definitive fallback position with regard to the bases, although it has long purchased thousands of acres of land in Tinian, Saipan as a possible base site in the Pacific.



Another major problem is that US defense department experts themselves admit it will take four to five years to relocate these bases, and even then, there can be no substitute for the Philippines whose geographical location is perfect.

Besides, it is added, construction of these bases will cost billions of dollars, while US bases here cost the United States only \$900 million in "rental" over a five-year period 1984-89.

The moderate opposition here has blamed the bases for what they say is the United States' continuing support of the "Marcos Dictatorship" and a majority of its leaders, at least in principle, are for their removal.

They claim 19 years of Marcos rule have largely spawned the NPA rebellion because government "abuses, excesses, and neglect," particularly in the last three years, triggered the country's worst economic crisis since the Second World War.

Thus when Mr. Tolentino for the first time mentioned "military advisers" within the framework of US military assistance to the Philippines, members of the foreign press sat bolt upright.

In the months to come, possible US military intervention in the Philippines could become the hottest political issue here and perhaps in the United States, observers conclude.

CSO: 4200/572

## VERITAS 'SPECIAL REPORT' ON INSTABILITY IN NEGROS

## Conditions Profiled

Quezon City VERITAS in English 27 Jan 85 pp 10-12

[Article: "Look at This Island, Now --Negros Seethes With Problems That Tend To Go Out of Hand as an Apathetic Government Sinks Deeper in Crisis"]

[Text]

**B**ISHOP Antonio Fortich of Bacolod thrusts a lit cigar at the journalist from Manila and asks a question that today is uppermost in the minds of all Negrenses: "So, what is to be done now in a place like Negros?"

The answer, when it comes, spills out of the mouth of a plantation worker, who replies, when asked what he would do if he ever had a piece of land for his own: "Even if our wages are increased, they still cannot catch up with prices. We need land to plant to rice, corn and camote. If I have land of my own I will not plant it to sugar, I will plant food for the stomach, food to eat."

The young man, in his early twenties, works as part of a gang, cutting cane during the harvest season. When invited to chat awhile by their local union

leader, the men are on their way home for lunch. But they oblige the interviewer, and even agree to cut cane in a nearby field for the photographer. When asked not to smile, one of them explains: "We're really happy while we work. If we don't make merry, how could we stand our lives?"

In the middle of the day, as trucks laden with cane raise dust along the narrow plantation roads, Hacienda Paz in the La Carlota district is weighed down by a sleepy peace. Women wash clothes around an artesian well in the middle of a cluster of nipa huts, children snitch dark purple sugar cane of the La Carlota variety (the best for chewing, it's said) from open railroad cars destined for the nearby mill, the silence broken now and then by the crowing of

impatient cocks.

But just a few months ago, Hacienda Paz employed a four-man security force, whose chief trailed the group of journalists and labor leaders around the hacienda. It was the first time in its decades of existence that the hacienda ever needed outside "security."

Perhaps this explains why. Last August, when their rice supply was cut off and they had gone without food for days, 78 heads of families on Hacienda Paz begun cutting the ipil-ipil trees around the fields and selling the twigs as firewood. The management charged them with theft, but the police hauled off only the six top union leaders to jail. They were later joined by their families and the other plantation families, all clamoring to be jailed so they could eat. They were released, and

after negotiations, the rice supply was restored.

A similar incident occurred at the Hacienda Camile, where workers broke into the warehouse and carted off sacks of fertilizer which they sold. They were jailed, of course, but released later as the authorities could not feed the 30 families who owned up to the crime.

Is this the social unrest authorities in Bacolod so earnestly warn about? If so then it is the kinder face of a harsher threat.

**T**WO months ago, in a town called Murcia just 15 minutes by private car from Bacolod, the chief of police and one Sanggunian board member were chatting in a market carinderia when they were approached by a personable young man. Without speaking, the visitor drew out a gun and fired pointblank at

the two, calmly walking away from the scene. People say the liquidation was either a punishment for election anomalies the two were allegedly involved in; or retaliation for the torture-slaying of a worker-organizer.

The incident sends chills through laid back Bacolod society. "Before, it was unthinkable that the NPA could penetrate this far," says Boygie Gallardo, a businessman. "Now they're practically knocking at our doors." All through the holidays, the citizens of Bacolod and nearby towns were literally kept in the dark, the result of downed steel towers that hold up cables carrying electricity from a geothermal power plant. The first tower was blown up by the NPA, Bacolod sources reveal, but the rash of recent downings could be the workings of "businessmen" who knock off the towers then steal the valuable cables to be re-sold. Just last week, another extended brown-out hit the city, the result of another fallen tower.

"The insurgency is becoming stronger," admits Bishop Fortich, "they are now going into haciendas, indoctrinating workers." The wife of a planter says she no longer stays overnight at their hacienda near the southern half of Negros: "Our people won't allow us. We're scared enough as it is," they say. They can't even leave their homes at

night. And some haciendas already have foxholes."

Most everyone in Negros will concede that the southern part of the island is practically NPA territory, especially in the area known as CHICKS (for the towns of Cauayan, Hinobaan, Ilog, Candoni, Kabankalan and Sipalay). Here, the mountains provide ideal cover for armed insurgents, many of whom, says Bishop Fortich, "are there not because of ideology but because they have grievances against the military."

Much of the military's striking force is of course concentrated in the south. The heavy presence of military and CHDF units has also spawned a host of human rights violations.

"There are so many unsolved killings," says Fred Pfleider, coordinator of the Negros protest coalition called CARD (Citizens Alliance for the Restoration of Democracy). In the course of two weeks, three unidentified bodies were recovered from Bago River, south of Bacolod. Pfleider says a CARD organizer mobilizing for last December's Long March was picked up and never heard from again.

**O**NE incident which did not make it to the Manila papers took place last October in Sitio Mantusi, Barangay Magballo in Kabankalan, where three people — a farmer's wife and her children, one aged four and the other eight

months — died when soldiers belonging to the Philcag Fifth Engineering Combat Battalion lobbed a grenade at their hut in pursuit of four armed men who had earlier dropped by the barrio. Said Eleuterio Puerto, 40, who survived the blast: "the soldiers went away after seeing us and did not help us." The military later agreed to indemnify the victims' family.

A more publicized case is that of the Langoni Nine, barrio youths from Cauayan who went to town to vote last May 14 and returned dead. Recently, the 11 enlisted men and two officers charged by a military investigator were cleared when a military court could not produce any witnesses, one of whom faces a warrant of arrest.

Pfleider, a former military man who admits to taking a "180 degree turn" from his former attitude towards the national leadership, believes, as so many Negros residents do, that a military solution can never succeed in the island. "Kill one man in a pacification campaign and you create ten others like him." Militarization, he believes, can only lead to more killings. "When a soldier goes on patrol, he is engaging the enemy, and at the slightest movement, he will fire. Sometimes it's just a carabao, sometimes it's an innocent farmer. The soldier won't wait to be accused. What he does is he'll plant a weapon on the man and call him an NPA."

And yet even the most severe critics of the military in Negros will readily attest that morale in the army is low, that sometimes army wounded cannot even get proper treatment. Recently, a Bacolod matron tried to organize the business community to come to the help of the military, especially in improving the enlisted men's miserable quarters.

PC Provincial Commander Col. Arnulfo Obillos admitted before a meeting of CONSEP, a government-business group, that for 1985, the armed forces is retrenching by ten per cent. "We really cannot provide security to farms and individuals," he admitted. He proposed instead the formation of what he called "special types" of CHDF, adding that he was encouraging "some groups in Negros Occidental to organize and arm CHDF units." Though sponsored by individuals and organizations, the CHDF units would still be controlled by headquarters, he said, with one officer and seven enlisted men acting as a control group over what in essence are private armies. The Provincial Commander also said he was "transferring some personnel to non-combatants, to train as livelihood technicians." While combat patrols would still be fielded in specific areas, the

rest would instead act as "socio-economic patrols."

**P**USHING a squeaking wooden trolley, the young boy collects dirty plastic dishes left by customers of a government-run canteen. As he handles each plate, he quickly scoops out its contents, wolfing down the remains of other people's meals. In Manukan Country, Bacolod's tourist mecca for lovers of chicken *inasal*, urchins beg not for money as their Manila counterparts do, but for leftovers — chicken bones and bits of meat, rice, and soft-drinks.

There is a refreshing uniformity of views in Negros Occidental these

days. Most everyone admits there is a problem and they give it a common name — hunger. The social unrest; the "rise in criminality" predicted at the end of the milling season when work is scarce and time lies heavy; even the growing insurgency that creeps nearer to the center of power; all are just symptoms of a graver ill that has felled the once robust Negros economy.

Planters talk of a fifty per cent drop in sugar production, sugar mill managers speak of "presiding at a blood-letting" with horrifying prospects of mass layoffs. (Already, the Talisay-Silay Milling Company has terminated some 500 workers).

Prospects look even

dimmer, if it is at all possible. With the sharp fall in sugar production, milling is expected to end as early as March, and the industry faces its longest off-season ever, with estimates ranging from a low of six months to as much as nine months. Even in good times, the off-season has always been a time of hunger for plantation workers and their families. During these months when the cane is growing and no planting or harvesting needs to be done, work is drastically reduced, and so is income and food. Coinciding with the monsoon rains and the diseases they bring, the off-season has been rightly called "the season of death."

"Planters usually take care of their work-

ers during these months," says Daniel Lacson, who helped found the Negros Business Forum and whose family owns a large hacienda in Silay. But with the bad times and money hard to come by, the planter finds it increasingly difficult to continue the old paternal relationship where workers depended on the *amo* for baptisms and weddings, illnesses and death.

Pfleider, who leases a medium-sized 40-hectare spread, anticipated the credit squeeze last year and set aside a portion of the land for cassava, "so that my people could at least have something to eat once rice became unavailable." He tells, though, of a few small plantation owners, especial-

ly in the unproductive, mountainous south, who simply abandoned their farms, leaving their workers to starve or scratch for a living on the marginal lands.

**C**ONTRARY to popular notion, people in Bacolod say, most sugar plantations average about 20 hectares, and it is the small and medium-sized hacienda owners who must bear the brunt of the present prohibitive interest rates on crop loans.

And yet the common attitude of many planters still seems to be: "If the government will help us (by banning sugar imports and easing up on credit), we will help our workers." Planters interviewed all speak supportively of the NBF's land-use plan, where a certain portion of the hacienda lands could be set aside and given to the workers to plant to food crops. But even NBF leaders say a very small number of planters have taken up the suggestion, with only about two per cent of them doing so.

On the second week of January, members of the Wage Commission met with labor and planter representatives in Bacolod to discuss the possibility of land use in lieu of paying minimum wage. Planters at the meeting voiced strong fears about the scheme turning into a land reform of sorts ("a dirty word in Negros," says a businessman). Said one: "When the time comes and it is profitable for me to plant the land to sugar, what guarantee

will I have that the workers will give up the land?"

Edgardo Estacio, national secretary of the National Federation of Sugar Workers, retorts: "We are not unreasonable. There is no basis for that fear, we are willing to sign any kind of agreement, provided that when the planters want their land back, they will pay the workers higher wages. Then the right to strike has to be restored, for how can labor then bargain with management?"

But above all, Estacio says, the issue of land use and wages must not be legislated but rather left to each planter and his workers to negotiate. "After all, not all plantations are losing money."

**H**UNGER in Negros takes on the most pernicious form, because it is invisible. Cecy Magsaysay of the Human Development Foundation, says: "People here may not be starving like in Ethiopia, but it will be felt in the long run. It will go slow, the people will be vulnerable to sickness, then become irritable, moody, quick to anger." The first to suffer are the most vulnerable. Children, weakened by malnutrition, die from such stupidly simple diseases like measles, broncho-pneumonia, gastro-enteritis and amoebiasis. Estacio says his sisters-in-law, both public school teachers, report that 100 per cent of their students are malnourished. Fr. Rolex Nueva, a young priest working as

temporary assistant parish priest in Kabankalan, says many of his masses for the dead are for children.

It is Fr. Rolex who tells the most stories

about the hunger that can only be discussed in Bacolod. When Typhoon Nitang struck last year, the river in Kabankalan overflowed and huge "killer logs" which had been felled then left by illegal loggers in the mountains, were swept down the denuded mountain sides. In the Sairi area, the whole sitio was washed away, wiping out all the houses except one. Some farms, belonging to subsistence farmers, "are nothing but sand and stones, or are now part of the river."

In the disaster's wake, three problems plague the people scrambling for a living in the hard, harsh, militarized barrios in the mountains: hunger, children's illnesses and rat infestation. "Many residents eat nothing but *camote*, even the small, hard ones," says Fr. Rolex.

**I**N THE light of such stories, it is difficult to feel any deep sympathy for sugar planters who cry that the government, or Philscom-Nasutra, is killing them.

Joel Lazar, an organizer for the League of Filipino Students in Bacolod, says he learned at an early age what feudalism meant. "They said the workers (in his grandfather's plantation)

were lazy, but I could see them going off to work at four in the morning and coming home only in the evening, so how could they be lazy? Then, I asked myself, if they worked so hard, why were their lives so miserable?" Pablo Arcega, overseer or *katiwala* at Hacienda Paz, says the ideal situation is for the overseer to "keep both owner and workers happy. I

cannot just please the owner, while the workers go hungry."

Plantation owners are taking different approaches to the crisis. Some, like those who dug foxholes, are determined to fight it out, hiring security forces or "special" CHDF's. Other planters, such as Boy Ledesma, who has allowed his workers to plant monggo, pepper and other food crops in between the sugar cane rows (called "intercropping") try to stave off the starvation his people face. Still others have given up, abandoning their farms completely, or selling out to big estates, including those owned by cronies Roberto Benedicto and Eduardo Cojuangco.

The Negros Business Forum leaders admit their programs calling for land use and diversification are meant to "merely buy time" for both the planter class and workers. The year of hard testing for Negros is now, 1985, especially in the dangerous months of the off-season. One has the feeling none of the fundamental problems

that underlie the dilemma of Negros can be solved unless the planters are willing to re-examine structures and re-consider centuries-old assumptions. Hortensia Starke, of the feisty New Alliance of Sugar Producers, says there will be "a natural diminution" in the ranks of the planters after the crisis, a diminution which will be "permanent." Unless they are willing to look at some hard questions, time may be running out for even the few who will survive Sugar Country's sad, sour days. — RINA JIMENEZ DAVID

## Rice Farming Contrasts in 'Mono-Crop' Island

Quezon City VERITAS in English 27 Jan 85 p 12

[Text]

**N**EGROS has been called a "mono-crop" island, with perhaps 90 per cent of its arable land planted to sugar. As a consequence, the province of Negros Occidental imports practically all of its foodstuffs, 50 per cent of its rice and "even our candy."

No wonder then that people's attention, and concern, is focused solely on sugar, and on the fate of those connected with the industry — planters, plantation and mill workers, *sacadas*. Virtually ignored are the rice farmers, who seem to share more in common with their brothers and sisters in the rice granaries of Luzon than their fellow Negrenses in the sugar estates.

"I think we are better off than the workers in *haciendas*," says Bobby Propungo, president of the Small Farmers Association of Negros (SFAN). But that doesn't mean they do not have problems.

Though the lands they till fall under Land Reform, much of the rice farms still belong to big landowners, who also happen to be sugar barons. Bobby, who holds a "Certificate of Land Transfer," says he is up to his neck in debt, ever since a crop failure in 1975. Other farmers, continually in debt, have been forced to sell their CLT's to the landlords, reverting to the status of tenant or leaseholder. Others become farm workers.

Simeon Garcillan Jr., a white-haired farm worker, relates that he was a tenant in 1963, but when

Land Reform was declared, the landowner wanted to get his land back. He and some companions complained to the then Department of Agrarian Reform, but the body ruled that they had to accept the landowner's payment. "Since then, no landlord wanted to take me in as a tenant, I was

a troublemaker, they said. I've been a farm worker for ten years now." As a farm worker, "Junior" does farmers' chores in return for a percentage of the crop.

Propungo lists the main problems faced by small farmers everywhere: "no land, high rent (a fixed rate of 15 cavans per harvest, regardless of calamities and pests), high cost of production, low buying price of rice, and militarization."

The last is especially bothersome to Propungo, who says the SFAN has become a target of black propaganda and harassment: "*komunista raw kami, subersibo*." Organized just last February, SFAN began with farms in six towns of Negros. Today, it has organized small farmers all over Negros island, all of whom are united behind SFAN's common demand "to enact a real Land Reform program, not a fake one."

— RJD

## Bishop on Injustice

Quezon City VERITAS in English 27 Jan 85 p 13

[Article: "Fortich on the Fortunes of Negros--Bacolod's Bishop Talks About Injustice That Continues to Prevail in the Province"]

[Text]

**A**LL around the main altar of the Bacolod Cathedral dedicated to St. Sebastian, can be found markers engraved with names that to this day create ripples in Negros and Manila society. How it must gall the families of these illustrious forebears to have to enter the Cathedral and confront a huge mural depicting the poor of Negros, brooding, threatening, boding ill. "A lot of people objected to that," says a businessman, pointing at the mural.

That the mural was still around indicates perhaps where church alliances have since swung since the days of the sugar barons buried in the Cathedral.

When Bishop Antonio Fortich, who grew up on the other side of the island on a sugar plantation in Negros Oriental, took over the diocese in 1967, he declared the local church's thrust would be towards "justice." Just what this meant to the Negros elite soon became evident in 1969, when a Jesuit scholastic published a study on the lives and working conditions of *sacadas*, a stinging rebuke to the *hacendero* class that tore the covers off a century-old order.

"Maybe it was the approach," muses the young scion of a planter family on the turmoil and bad feelings that followed. "Perhaps he should have first circulated it privately among the plantation owners before publishing it in the Manila media." Almost in the same breath, though, he acknowledges that the rich in Negros do have the tendency to "refuse to look at (reality) frontally, we want to skirt the issues all the time." Fred Pfeider, a sugar planter himself who has since been caught up in the post-August 21 fever, puts his finger on the central issue of Negros: "Basically the structure of the sugar industry is exploitative." At the same time, he explains why many of them, who are otherwise decent human beings, continued to tolerate the order: "I used to see things, but I always asked myself, what can I do?"

Bishop Fortich, and the priests and religious in the diocese felt no such constraints, and began bringing the message of justice and the methods of conscientization to the peasants, fishermen, plantation workers and *sacadas* of Negros. "The priests, seeing this injustice over the years,

felt that talking with the planters did not make sense," recalls Daniel Lacson of the Negros Business Forum. "So what did they do? They started talking about it in the pulpit, and when the younger, more radical generation of priests arrived, they told the people, 'go ahead, take the land, it's yours, if you're hungry, plant on it.' Talk started going around that the Church had turned to Communism."

**A**LL THAT strife has had a positive effect. Today, for instance, unions are an accepted fact in *haciendas* and sugar mills, although an officer of the militant National Federation of Sugar Workers (NFSW), claims many planters and millers have resorted to establishing company unions.

About five years ago, the First Farmers Human Development Foundation was set up. It aims to develop the values of self-reliance and independent thinking among plantation workers through the use of community organizers, "to develop a person so he will have a choice of what kind of life he wants." Says Cecy Mag-saysay, HDF director: "We do not take sides. We do not even try to sell them the planters'

side, just because we enter on the planter's invitation. Our aim is help the workers grow."

Human development officers (or HDO's) enter a hacienda only

upon a planter's invitation, who then commits himself to pay for the HDO's salary, cooperate with the program and pay his workers the minimum wage. The HDO then lives among the people, first conducting studies on the needs and aspirations of the workers, bringing these to the planter, then initiating dialogue. "We serve as a bridge," says Magsay-

say, acknowledging that perhaps this is why they are looked upon with suspicion by militant organizations and unions. "Many HDO's also encounter a lot of hostility at first, but they work hard to maintain their objectivity and so when they talk, both planter and workers listen."

**W**HEN asked why plantation workers have always been called "lazy," Bishop Fortich says this is because "they were paid so little. Why should a man work hard if he gets so little in return?" Edgardo Estacio of the NFSW, says the workers have developed the

attitude of dependence "because they were not paid enough to answer for their needs. So they ran to the *hacendero* every time they needed something."

Bishop Fortich, who once warned that Negros was a "social volcano," recalls that a planter recently approached him and said: "Monsignor, I think your prophecy is coming true!!!"

One lesson remains clear to the bishop in the midst of the crisis:

"The poor must be organized in order that their voices will be

heard." The Monsignor speaks of a *gaba* or curse that seems to have befallen Negros: "When you maltreat your parents, people say you are cursed.

Maybe that is what happened here." Today, Church, planters and poor are beginning to realize they must join hands if they are to avert the disaster that seems to be Negros' curse. — RJD

CSO: 4200/575



REPORTAGE ON NPA ACTIVITIES, ENCOUNTERS

Samar, Pampanga Ambushes

Manila BULLETIN TODAY in English 18 Jan 85 pp 1, 10

[Text] Six persons, including two policemen, were killed and a police chief was seriously wounded in two ambushes staged by armed men believed to be New People's Army (NPA) rebels in Eastern Samar and Pampanga, it was reported yesterday.

**TACLOBAN CITY (PNA)** — A group of heavily armed men ambushed a police patrol in San Policarpio, Eastern Samar, Wednesday, killing two policemen and seriously wounding a police station commander.

Col. Ibarra C. Mariano, Eastern Samar Constabulary provincial commander, identified the fatalities as Pfc. Proceso Nicart and Antero Esto, both of the San Policarpio police station.

In serious condition at the Bezhany Hospital here is police Sgt. Bienvenido Bianes, police station commander of San Policarpio.

Mariano said the three policemen were en

route to barangay Binogawan to provide police security during the barangay fiesta celebration when they were ambushed three kilometers west of San Policarpio.

Bianes, who sustained multiple body gunshot wounds, was able to return fire but later played dead when the armed men approached them.

The armed men were believed to be members of the New People's Army (NPA).

Bianes told the PNA he believed that the enemy also suffered casualties as he personally saw two of the insurgents fall when he returned their fire.

**SAN FERNANDO, Pampanga** — A member of the Civilian Home Defense Force (CHDF), two women and a five-year-old girl were killed Wednesday night when they were ambushed while driving home on a tricycle by a group of armed men in barangay San Jose, Floridablanca.

Capt. Laverne Manambao, 172nd PC Company commander, identified one of the

fatalities as Alejandro Bacani, a militiaman of barangay San Ramon, Floridablanca.

The other fatalities, who were not identified, were the common-law wife of Bacani, her sister and their five-year-old niece.

PC investigators said the terrorists took Bacani's M-16 Armalite rifle, but failed to see his .38 caliber service revolver.

Manambao reported that the victims were bound for the town proper when they were overtaken and fired upon by the armed men who were riding in an owner-type jeep.

Manambao believed that only Bacani was the target of the ambushers who were armed with Armalite rifles. (Jerry Lacuarta)

### 32 Repulse 300 NPA Band

Manila PHILIPPINES DAILY EXPRESS in English 17 Jan 85 pp 1, 2

[Text] HERE IS one for the late Vic Morrow's "Combat" or for Fernando Poe or Ramon Revilla.

A 32-man army detachment besieged by a 300-strong New People's Army band, not only repulsed the attackers but also killed more than 100 of them, while suffering only three dead and 10 others injured.

This was recently pieced out by Sgt. Pedro T. Estrellon, a trooper of the 33rd infantry battalion, who was among those wounded in the six-hour gunbattle in barangay Bubuan, Tayug, Zamboanga del Sur, last Dec. 1.

Estrellon said that the NPA casualties were found inside abandoned houses by pursuing army troopers who conducted a mopping-up operation in the area after the fighting.

He said that "wounded NPA members were apparently carried by their retreating comrades but they later died from bullet wounds due to lack of medicine."

The gunbattle started at 4 a.m. when the heavily armed NPAs made simultaneous two-pronged attacks on an army platoon divided into two groups, one above the hill and another inside a schoolhouse in barangay Bubuan. The soldiers were a few meters apart from each other.

Estrellon said that their commanding officer, 1st Lt. Hilario A. Estrella, ordered his men to hold their ground and keep on firing although he (Estrella) was wounded in the initial burst of gunfire.

Estrellon said three of his companions — Pfc. Elmo Morales, Corporals Nilo Aranas and Benny Cacayurin — were also killed.

He said 17 army troopers inside the Bubuan elementary schoolbuildings engaged the NPAs in a fierce firefight.

Estrellon said that in the initial

attack, Lt. Estrella instructed his men to retreat from the hut to the top of the hill.

"The NPAs thought that we were still there in the hut and they peppered the hut with machinegun fire," he said.

Estrellon said that for 10 minutes, they remained silent.

"The enemies used a loudspeaker calling for our surrender, but we did not say any word. This probably led them to think that we were all dead," he added.

"When they stood up, we opened fire, hitting them frontally," Estrellon said.

He said the exchange of fire continued until mid-morning, when the NPAs "vanished slowly from our sight." (PNA)

## Nine NPA Suspects Killed

Manila PHILIPPINES DAILY EXPRESS in English 28 Jan 85 p 3

[Text] NINE suspected members of the New People's Army were killed and five others captured in counter insurgency operations in Mindanao over the weekend, Fort Bonifacio said yesterday.

Army spokesman Col. Mateo Bawagan also reported that 70 suspected dissidents belonging to the Bilaan tribal group in South Cotabato have surrendered voluntarily to military authorities in Polomolok town. They also surrendered five US Springfield Rifles, one .22 caliber rifle, nine home-made shotguns and 55 rifles made by the Bilaans, Bawagan said.

Eight suspected dissidents were killed in an encounter between army troopers and an undetermined number of armed dissidents in barangay Kidawa, San Vicente, Davao del Norte.

Reports reaching Fort Bonifacio said the troopers recovered two M-16 Armalite rifles, two .30 caliber garands, one rifle grenade, one grenade, a typewriter and several bullets at the scene of the encounter.

Identities of the slain terrorists were not immediately available.

\*\*\*

IN ANOTHER development, a team of Scout Rangers killed a suspected terrorist in an encounter at Binacalan Gingoog City, Misamis Oriental.

Soldiers from the 25th infantry battalion, captured five terrorist a raid at an underground house in Upper Buena Vida.

DAVAO CITY — A PC sergeant was shot dead by four armed men Saturday at sitio San Vicente, Buhangin district.

The victim was identified as Sgt. Alfonso Enriquez assigned to the adjutant's office of the PC-INP regional command at Camp Catipan, 12 kms. north of this city.

Enriquez had just returned to his assignment here from a service-connected mission in Manila, Kahulugan said.

\*\*\*

A MILITARY police officer of the regional unified command — one sergeant Villegas was fired upon Saturday by four armed men at Santa Ana district here.

He escaped unhurt.

A six-man police reaction team chased the suspects toward the Gotamco slum area but was met by heavy fire.

LAOAG CITY — Terrorists burned down a newly-built PC detachment building in barangay Sevilla, Sta. Cruz, Ilocos Sur, according to an article published in a local weekly here.

The article run by the weekly *Timek Ti Amianan* quoted a Catholic priest as saying the New People's Army terrorist swooped down on the village early this month and set the PC station on fire. (PNA)

## PDP-Laban Assemblyman Fingering

Davao City PEOPLE'S DAILY FORUM in English 25 Jan 85 pp 1, 8

[Text] Assemblyman Douglas Cagas, who has been named by a commander of the New People's Army as having contributed P10,000 to the communist movement to get their support during the parliamentary elections in Davao del Sur, has denounced the charge as a "frame up and an insult to him."

Cagas made his denunciation in a privilege speech before the Batasang Pambansa recently.

Cagas was implicated to the NPAs in a sworn statement given by one Lito Ali, known as alias NPA commander Alvin, stating that he was one of the two assemblymen in the province who gave ₱10,000 on May

11, 1984 to the NPA allegedly to secure support from the armed band during the elections.

The affidavit taken by a police corporal is the sole basis of the complaint against the assemblyman.

The opposition assemblyman who won under the PDP-Laban during the elections, said the allegation of the commander is smacks of defamation and is a direct insult to the constituency who overwhelmingly voted him to the Batasan.

"Not once in my political career had I stooped down so low as to sacrifice the sanctity of the ballots. If persons like me can be so easily besmirched of his reputation notwithstanding the fact that I have been mandated by the people with the biggest number of votes ever received by any candidate since the political history of our province, I have personal apprehension that the possibility of implicating ordinary citizens in framed up charges is almost common, if not a pattern throughout the country," he said.

Cagas said that if opposition leader, MP Aquilino Pimentel, for an alleged ₱100 was implicated in a subversion charge or rebellion charge and underwent an 11-month ordeal in a prison camp, there is little doubt that as soon as the charge shall be formally litigated, the same predicament will befall him.

Cagas declared:

"But I am not fazed at all. I am not terrified. This is not the first time I'm threatened of arrest. Such is the fate of those

who fight to put an end to tyranny and oppression. The road to freedom is quite long, rough, rugged and dark. Many will stumble and fall, as some already had.

"As Ninoy Aquino said: 'The dice of fate has been rolled and each of us has been assigned a role to play. Ours is to keep fighting the beaconlight of freedom for those who have lost their way. Ours is to articulate the fervent hopes of people who have suddenly lost their voices. Ours is to adopt the solid stances of courage in the face of seemingly hopeless odds so that hope no matter how dim or distant will never banish from sight'.

"I'm not worried for myself.

I however, am anguished of the plight of the so-many other Filipinos who may not be able to take it anymore, and would abandon the path of non-violence.

"We, in the Batasang Pambansa, can still do a lot of things. Among others, first we must declare as illegal the 'Asset System'. Secondly, we must restore the 'Two-Witness' Rule. Thirdly, we must remove the authority of soldiers and policemen to prepare, institute, file and prosecute criminal complaints, especially crimes involving national security.

"We should not delay or tarry. Time and events might overtake us. When the present trickle of bloodshed becomes a flood, violence would develop a momentum of its own and we will all be sucked into the vortex."

## BMA Finance Officer, NPA Man Caught

Davao City PEOPLE'S DAILY FORUM in English 25 Jan 85 pp 1, 8

[Text]

Two suspected BMA/MN-LF members, one of them the acting regional finance officer of the BMA operating in Davao del Norte, and a member of the semi-legal team of the NPA were captured in two separate operations early this week by PC/INP elements of the Davao del Norte Provincial Command who also seized two firearms.

Captured in Crossing Madaum were two persons identified by a report from Davao del Norte Command as Rolando Jamora y Macampi alias Butch, acting regional finance

officer of the BMA; and Janudin Sulan y Abain alias Ben.

Seized by the troopers from the duo was a caliber 38 revolver, the report said.

In a separate operation, elements of the 459th PC Company led by its commanding officer while on patrol in Brgy. Macopan, Monkayo, apprehended one Alvin Omanialu alias Ramil, alleged semi-legal team member operating in Monkayo, the report from the Davao del Norte Provincial Command said.

A follow-up operation following the investigation of Omanialu resulted to the recovery of a .22 caliber revolver and subversive documents from a private residence.

## Farmer Killed Over Withdrawn Support

Davao City PEOPLE'S DAILY FORUM in English 25 Jan 85 pp 1, 8

[Text]

DAVAO CITY — A young farmer who decided to stop giving food and money to NPA communist criminals yesterday gave up his own life.

The latest victim in the NPA reprisal list was identified by Tugbok district police as Anastacio Festejo, 32 married and native of Crossing Tagakpan in Tugbok.

A spot report traced his dead body to a funeral parlor in Calinan where he was positively identified as among those regularly milked by subversive criminals in the area.

The same report said two unidentified men making the rounds collecting rice and mo-

ney from Tagakpan residents paid the victim a visit early yesterday afternoon. Apparently worried over poor harvest, Festejo refused. He was alone at the time.

The "tax" collectors then asked to be taken to one of Festejo's friends who might have available food or cash. On a deserted path only a hundred meters from his house, the men suddenly pulled their guns and shot him in the back.

Bullets of still undetermined caliber slammed Festejo at the back of his head, right shoulder and various parts of his body. He died instantly. Neighbors said Festejo would have survived had the killing not been treacherous. (JCA)

## Army Repels Ambushers

Quezon City ANG PAHAYAGANG MALAYA in English 28 Jan 85 p 6

[Text]

**CAMP EVANGELISTA**, Cagayan de Oro - Five alleged communist rebels and two soldiers were killed when elements of the army 30th infantry battalion repelled a group of dissidents who ambushed them last week at Dampil, Lagonglong, Misamis Oriental, military authorities said yesterday.

A report of the Philippine Army Civil Relations and Information Service said the army troopers, led by a certain Capt. Locop, were on their way to Buenavista, Agusan del Norte aboard two "6 by 6" trucks with a commando car as escort when some 50 rebels opened fire on them.

The troopers fought back, and after several minutes of fire exchange, the army report said, five of the rebels and two soldiers lay dead.

One alleged rebel was captured and was identified by military authorities as Marciano Magalanes.

Informed of the incident, Brig. Gen. Madrino Munoz, region 10 command chief, sent army rangers to the area to pursue the rebels.

CSO: 4200/572

PHILIPPINES

RUC XI COMMANDER: AFP READY FOR SECOND STAGE AGAINST NPA

Davao City PEOPLE'S DAILY FORUM in English 27 Jan 85 pp 1, 6

[Article by Pris Rojo: "AFP Prepared for Actual Combat with NPAs--RUC"]

[Text] "We are not yet on the stage of warfare. The communist activities in Davao City or Region XI is still on the first stage in the program of implementation of the Communist Party of the Philippines in taking over the reins of our democratic form of government. But in the event that they reach the second stage which is the actual face-to-face combat, then we are ready and prepared for it."

This statement came from General Jaime C. Echeverria, Commander, Regional Unified Command, Region XI, in the course of the interview with him yesterday by the Davao Broadcasters Association, in its program, Dialogue With Broadcasters, aired over station DXOW at 10:00 o'clock A. M. to 12:00 o'clock high-noon every Saturday.

Echeverria said that at this time the communists are yet implementing the strategic defensive, which include recruitment, propaganda and terroristic activities. This is the first stage of their implementing program. The General said that during this stage, civilian populace has to face the challenge whether they wanted the continuance of democracy or accept communism as a way of life.

He said that it is in this stage that young people from 14 to 19 years of age are inducted to their armed forces popularly known as NPA. "Agaw Armas" is very visible, to equip their regular forces. Terrorism will take effect in order to threaten people to win them to their side like what the so-called "Sparrow Unit" are now doing.

General Echeverria stressed that if the civilians will refuse to cooperate in informing the proper government authorities of the communistic activities in their midst, then time will come that there will be actual armed confrontations between the government forces and the communist fire power.

There will be actual warfare between the democratic forces represented by the Armed Forces of the Philippines and the communist armed group, the NPA. This is the second stage of the program of implementation of the CPP.

The General said that at the second stage, civilians who were hardneed to talk or make reports of the communist activities during the first stage will be emboldened

and cling to the last government soldier that they could reach because, as per experience in other democratic countries which were toppled by communism, people realized, after all, that there is no substitute for democracy.

"As a matter of fact, because of the many abuses committed by the NPAs, from the collection of heavy taxes in the form of money and foodstuffs to unreasonable killings of innocent persons, people are now beginning to realize that there is no other ideology that could surpass the precepts of democracy, hence they are now beginning to go to the proper government authorities and divulge the communistic activities that they know in their neighborhood.

"The latest raids and casualties of the NPAs were effected because of the cooperation given by the civilians," stressed General Echeverria.

The RUC Commander wholeheartedly appealed to the people of Davao City and Region XI not to hesitate in giving information to the military involving any subversive activity they know in order to evade from the dreaded second stage of the aforementioned implementing program of the communist party of the Philippines in taking over the reins of our democratic form of government.

CSO: 4200/573



## COMMENTARY ON NEED FOR COALITIONS IN PARLIAMENTARY POLITICS

Manila BULLETIN TODAY in English 18 Jan 85 pp 6, 10

[Commentary by S. W. Yolanda: "Our Political Education"]

[Text]

**F**AR from being dismayed by the disarray of the political opposition (even if we cannot help being amused), we should take it positively as a learning process in parliamentary politics, which is basically NOT dividing politicians and parties into two groups, one in place and the other opposed, but in forging coalitions of diverse groups in order to form a government or alternate government.

Parliamentary democracies such as France, Italy, Germany, and to some extent, England — the mother of them all — do not simply have two major parties characterized conveniently as liberal or conservative, but rather diverse parties ranging the spectrum of political "colors," whose leaders coalesce and whose followers cross party lines during elections. But this does not mean that these various political parties — socialists, communists, Christians or social democrats, etc. — are united under one umbrella organization or platform.

The parties which get to power do not always have a monopoly of the cabinet, for they often win with the support of one or two other political parties. Thus at one time in England, you had the Liberal party in power, although

the swing is generally between the Laborites and the Conservatives.

It does not follow then that simply because all other political parties are opposed, for example, to the Marcos government, they have to unite in all respects, from platform to presidential candidate, in order to challenge the party in power. This political party may be opposed to specific policies while that party may be opposed to the President himself, but unless politics is regarded as pure exigency, there is no compelling reason they should unite in order to have a viable and strong parliamentary democracy.

Not unsurprisingly, therefore, the Liberal Party is splitting from the Unido and the Unido is wary of the Convenors, since there cannot be a common agreement. Some elders will say that our politicians have not changed — indeed, some of the younger commentators too. This means that they have not detected that the political system has drastically changed, although some things have remained the same.

"Total change," is, of course, a romantic shibboleth, for the simple reason that human nature is more permanent than process.

This interesting period, with all its confusions, ought to be viewed as a stage in our political education in parliamentary politics. The old political mindset will only

be at a loss in the new currents running in our public life. If there is any criticism to be said of the opposition groups, it is that some of their leaders have not abandoned obsolete insights and strategies. At the same time, however, not being unintelligent people, they will soon perceive that changes have occurred and that they must accommodate to them.

Those who refuse to learn will end up in the museum of political oddities.

We are bound to see political parties rise and fall according to their avowed principles and programs; that is the first step in our political education.

## PHILIPPINES

### SISON ON GROWTH OF REVOLUTION, ELECTION PARTICIPATION

Cebu City VISAYAN HERALD in English 25 Jan 85 pp 2, 8

[Text] Manila (PNF)--"Participation of the legal opposition in the coming local and presidential elections will further isolate the Marcos dictatorship and strengthen the democratic forces, including the revolutionary forces." Jose Ma. Sison told PNF in an interview conducted through intermediaries last week.

Philippine local and presidential elections are scheduled for 1986 and 1987, although there are speculations that these may be held sooner, because of the uncertain state of health of Philippine President Ferdinand Marcos.

Political prisoner Sison, whom the Philippine military alleges to be chairman of the clandestine Communist Party of the Philippines, noted the isolation of the Marcos clique because of the worsening political and economic crises in the Philippines.

Sison acknowledged the potential role of legal opposition groups "in the further weakening" of the Marcos government. "Through the local elections, they are likely to contribute significantly to the defeat of the fascist puppet clique by coordinating their electoral struggle with the other forms of mass struggle," Sison added.

The Kilusang Bagong Lipunan (the ruling party), Sison continued, "will surely lose in both local and presidential elections, "if the KBL wins again through fraud and terror, the desire for armed revolution will grow stronger among the people."

Even if the legal opposition wins, "it will have to adopt fundamental policy changes, if it is to come to terms with the revolutionary organizations. It will also have to deal with the grave problems left by the Marcos autocracy."

The 1984 boycotters, according to Sison, shall not have abandoned their call for meaningful elections if they participate, if they do not stop condemning "the evil character of the regime" as well as the unjustness of present electoral rules and procedures.

Furthermore, it is wrong to conclude that the 1984 participationists were correct and the boycotters were not, Sison continued. "The boycotters were not wrong in making just and reasonable demands concerning the elections." Their participation, he added would not have changed the election results.

Sison feels that the elections will not affect the armed revolution being led by the CPP, because "elections staged by the ruling clique are a periodic thing that do not by themselves given any profound lasting answer to the fundamental national and democratic demands of the Filipino people." He considers elections as merely one of the legal forms of struggle which are subordinate and auxiliary to militant mass struggles as well as the mass organizing being conducted by various organizations.

Sison further observed that the Convenor Group and the unification council of the Unido party "are serious attempts to unify the opposition but they both exclude the progressive organizations of the workers and peasants as well as those of the middle strata, which have a long record of resolutely and militantly fighting the fascist dictatorship."

"The workers and peasants who compose at least 90 percent of our people should be adequately represented. Their organizations should not be ignored and they deserve at least one-third of the seats in a grand coalition council," Sison said.

In an arrangement different from that of the Convenor Group's, Sison proposes an equal apportioning of seats to different organizations working for justice, peace and democracy. A four-way grand coalition council with seats equally apportioned to cause-oriented groups and the opposition parties is possible, he said.

The Communist Party of the Philippines, Sison added, is probably pleased to be recognized as an important factor by the legal opposition in its offer of legalization.

U. S. intervention in the elections is evident in its effort to assure certain elements of the opposition that it too wants to remove the Marcos clique through elections, said Sison. But at the same time, the United States is "providing Marcos with advice and the logistics to go on an anti-communist rampage in order to undermine the broad democratic opposition against the puppet autocracy."

On the issue of the laying down of arms by the New People's Army, Sison feels that political questions have to be settled first before military questions can be tackled. "Several questions have to be answered by the Marcos government but anyone can see that the reason why the CPP has been very wary of the AFP (Armed forces of the Philippines), is because it has been used by the U. S.-Marcos clique to conduct a bloody fascist counter-revolution against the broad masses of the people," Sison said.

CSO: 4200/574

PHILIPPINES

COMMUNISTS USE BUSINESSMEN, PROFESSIONALS: RAMOS

Davao City PEOPLE'S DAILY FORUM in English 26 Jan 85 pp 1, 2

[Text] Acting armed forces chief of staff Lt. Gen. Fidel Ramos today warned businessmen in the country that they are now the main targets of the communist party of the Philippines' (CPP) propaganda of deception.

In a speech read for him by Brig. Gen. Jose P. Magno Jr., commander of the regional unified command (RUC) III, before the Makati business club at the intercontinental hotel, Ramos said businessmen and professionals are the convenient tools being utilized by the CPP to serve its ends.

He said that at this point in time, the communists are using the business sector because businessmen are the ready sources of revenues for their nefarious operation.

"It is accepted that the business community is considered to be a very strategic sector by the community party of the Philippines", Ramos added.

However, on the propaganda level, the same businessmen are being pictured by the CPP as the economic oppressors, tyrants and all the alleged evils of bureaucrat capitalism, Ramos said.

He added that in the so-called "class analysis," businessmen are "considered to be enemies of the revolution who must be destroyed at all costs as a precondition for the establishment of a dictatorship of the proletariat.

In reality, the communists dislike entrepreneurship but for convenience use the businessmen for their underground propaganda because they know that the people look up to the businessmen as oppressors, Ramos said.

Ramos added that if businessmen become "witting or unwitting instruments for the subversive cause, they could easily agitate the people.

The acting chief of staff also warned the people against the litany of promises offered by the communists to join their cause only to suffer the worst consequences in the end.

"You and I know what has actually happened to the outspoken elements of the intelligentsia and the entrepreneurs in countries under communists rules," Ramos said. At the same time, Ramos enlisted the help of the business sector to save off the assault of communism which he said is real and getting serious.

CSO: 4200/573

## OPPOSITION COLUMNIST CONTRASTS POPIELUSZKO, AQUINO CASES

Quezon City VERITAS in English 27 Jan 85 p 6

["The Human Factor" by Melinda Quintos de Jesus: "Apathy or Amnesia Over Aquino Case"]

[Text]

**T**HE killings of Philippine Senator Benigno Aquino, Jr., on 21 August 1983 and Polish priest Father Jerzy Popieluszko on 19 October 1984 project certain pointed parallels. Ninoy Aquino, a leading critic of the Marcos government, was charged with subversion and rebellion by a military tribunal. Father Jerzy, a determined defender of the outlawed movement, Solidarity, became the object of a campaign of intimidation and reprisal.

The murders have been regarded as political martyrdom by their countrymen. And, as they did in life, they died rallying people to the cause of protest and resistance against an oppressive regime.

Both the Philippine and the Polish governments sought initially to defuse the tension and anger wrought by the deaths, granting concessions and expressing commitment to pursue the cause of justice.

In Poland, official investigation yielded quick results with the arrest of two colonels and the suspension of a general. Stripped of their ranks, four security officers have been charged with the crime and face possible death penalties. The trial has been the focus of national attention, and the proceedings in the town of Torun fuel the flow of public commentary. Extensive media coverage of the trials has been unprecedented, with the detailed reporting stimulating widespread speculation about the hidden masterminds of the murder.

The unfolding testimonies, as in the Agrava investigation, have implicated higher officials in the actual crime as well as in the cover-up. Thus, it has been a source of endless wonder that the trials

are taking place at all and are being allowed to proceed as publicly as they are. As one Polish dissident has noted, "Nothing like this has happened in the history of communism since 1919."

But the more cynical prefer to reserve judgment, and their caution is perhaps well-founded. The conduct and coverage of the trials may be a marked improvement

on the record, but many still believe that the Party leadership and not the courtroom panel will eventually decide the case.

Be that as it may, the Poles in a communist country appear to have come out ahead of the Filipinos in their so-called democracy.

Almost fifteen months from the Aquino Assassination, we are not even close to bringing anyone to trial. There are those implicated by the Agrava Board who have not been stripped of their rank or confined to quarters. While the Board's findings confirmed the public's fears about the ruthlessness of certain segments of the military, the official response has failed to prod actual court action.

It has been over two months since the Tanodbayan was entrusted with the responsibility of investigating the case. On 2 January 1985, Deputy Tanodbayan Manuel C. Herrera announced that his three-man panel would be ready with their findings within the week. As of this writing, their recommendations which were submitted to Tanodbayan Justice Bernardo Perfecto have not been made public. The delay can only arouse the same fears that the country's clamor for justice will once again be frustrated.

Like Aquino, Father Jerzy was murdered while in the hands of state security forces. But ironically, a supposedly atheistic communist regime has demonstrated a greater sensitivity to such a blatant betrayal of trust and such a vicious violation of human rights than a supposedly democratic Christian government.

Meanwhile, the Filipinos seem to have forgotten about the Aquino Case, proving once again the truism on which the Marcos government appears to have based all its maneuvers - simply play for time, people will forget and everything will blow over. Our amnesia, or apathy, will also serve to validate another adage - "the only thing necessary for the triumph of evil is for good men to do nothing."

CSO: 4200/575

BELTRAN ON MARCOS ADMINISTRATION AID TO SALONGA CANDIDACY

Quezon City VERITAS in English 27 Jan 85 p 7

["Straight From the Shoulder" by Luis D. Beltran: "A Deluge of Sudden Support"]

[Excerpts]

**T**HE Marcos administration is helping former Senator Jovito Salonga to get the Opposition presidential nomination by such little "favors" as dropping the subversion case against him, giving instructions to PC-INP officials to help publicize him with "security meetings." In fact, some of the old LP politicians within the control of Malacañang will probably push to have Salonga nominated. This deluge of sudden support may spring from the Palace reading that Salonga is the most vulnerable of the Opposition candidates — because Salonga allegedly took out permanent resident or "green card" status in the United States. Besides being an election issue, it could eliminate any Salonga candidacy because of the Constitutional requirement of a ten-year residence prior to the elections. For the Palace, it is a calculated risk. If Salonga somehow qualifies, they have to remember that Salonga topped every senatorial election he ever participated in — often getting more votes than the President or Vice President at the time.

\*\*\*\*\*

Some Opposition colleagues are mad at MP Ramon Mitra. It seems these colleagues attacked the Convenor Group when Mitra's name was at first not included, and Mitra was visibly disappointed. After he was included, Mitra made disparaging remarks in the press about the criticism of the CG by his colleagues.

Malacañang sources say Defense Minister Juan Ponce Enrile submitted his resignation to the President shortly before leaving for Singapore. Enrile's resignation may have been triggered off by a scolding delivered by Mrs. Marcos at the recent KBL

caucus where Enrile reported the growing strength of the NPA. Mrs. Marcos acidly remarked that Enrile had been defense minister for the last fifteen years, so it was his fault. Enrile can't promote generals, make assignments, launch offensives etc. — all he seems to be able to do is transmit orders given by the President through the Ministry of Information to Enrile for AFP commanders. They might as well accept his resignation — so, as his aides hope, he can pull a Magsaysay.

\*\*\*\*\*

People are talking about a Salas-Enrile ticket, but some political observers think it may be called the "Johnny-Come-Lately, Johnny-Come-Too-Late" ticket.

Of the Opposition presidential aspirants, former Senator Eva Estrada Kalaw seems to be the most serious in pursuit of the nomination as well as of the presidential campaign. Kalaw has kicked off her campaign without waiting for the Convenors or any National Unification Committee. In her speech before the University district Rotary last January 15, Kalaw presented a "program of government" which touched on everything from government deregulation to foreign investments. She announced that she would make 30 provincial sorties to get "citizens' involvement" and inputs into the proposed program.

\*\*\*\*\*

Among all sorts of Opposition leaders, the consensus is growing that the only way the Opposition can be united would be if Cory Aquino runs for President. They say that if she changes her mind, even Laurel and Kalaw would withdraw in her favor and the administration candidate would have a fight on his/her hands.

## JESUIT COLUMNIST ON ATTACKS AGAINST 'CONVENOR GROUP'

Quezon City VERITAS in English 27 Jan 85 p 7

["Occasional Reflections" by Joaquin G. Bernas, S. J.: "The Joys and Sorrows of Notoriety"]

[Text]

THE Grand Old Man of the opposition, Lorenzo Tañada, in moments of deepest desolation, has said that never in his whole political career has he been attacked as viciously as he is being attacked now because of his role in the Convenor Group. The ultimate cut was when someone suggested that he was an American Boy! But, all things considered, the attacks against him have been relatively restrained.

Of course, nobody, but nobody in the opposition, with hopes of winning a national election will dare attack the First Lady of the opposition, Cory Aquino. She has been the object of some malicious innuendo, but no one has openly tried to bludgeon her.

The choicest barbs, however, have been reserved for the political neophyte in the Convenor *troika*, Jimmy Ongpin. He has been called choice names from Toy Stallion Of Troy to Fu Manchu to Older Brother's Younger Brother. Yet he has kept his accustomed cool. Sometimes, as he counts piles of gold bars in his Benguet fortress in Mandaluyong, you might hear him muttering against his critics Sheridan's reply to Mr. Dundas: "The right Honorable Gentleman is indebted to his memory for his jests, and to his imagination for his facts!"

The members of the "think tank," too, have had their share of barbs, including an adjective which goes with *poso*. The Harvard "mafia" segment of the "tank," supported by talent certified to be no less genuinely Whartonish than Virata, has been depicted as a gang "as foul as Vulcan's stithy." (I looked it up and I found that "stithy" is not as foul as it

sounds.) But they simply counsel their critics to reflect on these lines from *Macbeth*:

Why do I yield to that suggestion  
Whose horrid image doth unfix my hair  
And make my seated heart knock at my  
ribs,  
Against the use of nature? Present fears  
Are less than horrible imaginings.

The neurologist in the "think tank" has received some nerve wracking messages. But he calmly prescribes to his critics the use of a prayer to an apothecary taken from *King Lear*: "Give me an ounce of civet, good apothecary, to sweeten my imagination." (Civet, I understand, beats musk oil.)

The former U.P. President in the group is undisturbed by all these wild imaginings. He, too, has a prescription for those who "envy" his lot. It comes from Boswell's *Life*; but it is available only on private request.

But what of the "two Jesuits" in the lot. Well, Jesuits, I know for a fact, are used to getting more imaginary credit (and discredit) than they deserve. Umberto Eco explains it thus in *The Name of the Rose*: "This, in fact, is the power of the imagination, which, combining the memory of gold with that of the mountain, can compose the idea of a golden mountain." But there are nasties among the Jesuit lot (not this Jesuit!) who might prefer to reply to critics with a line from *Genesis*: "For the imagination of man's heart is evil from his youth!"

Evil, perhaps, but it is making the political world go round — in endless circles, that is.

CSO: 4200/575



PHILIPPINES

BANCO FILIPINO CLOSURE: 'ONLY CRONY BANKS WILL SURVIVE'

Quezon City ANG PAHAYAGANG MALAYA in English 28 Jan 85 pp 1, 8

[Text] Local opposition leaders criticized Saturday the closure of Banco Filipino Savings and Mortgage Bank, the country's erstwhile largest savings bank, suggesting it is a sign only foreign and "crony banks" will survive in the country.

This developed even as Brig. Gen. Victor Natividad, acting Metrocom Chief, ordered the entire police force to secure all Banco Filipino branches throughout the country effective today.

Former Sen. Rene Espina said the decision Friday by the Monetary Board to close Banco Filipino which has 89 branches across the islands, would make thousands of employees jobless.

The government said the bank had become "insolvent" and appointed a receiver to take over its assets.

"The climate of exorbitant interest rates fueled by...suffocating Central Bank restrictions on the private banking system actually doomed any recovery effort of Banco Filipino and will eventually result in the decimation of more Filipino-owned banks," said Espina, speaking for the United Nationalist Democratic Organization, an opposition political coalition.

"Is this a sign that in the end only foreign-owned and crony banks will survive in our country?" asked Espina.

Meanwhile, Natividad's order, contained in a radio message, followed the CB's closure order Saturday.

The acting Metrocom Chief directed the four police superintendents to field their men at every Banco Filipino branch, especially near public markets, in their areas of responsibility.

He ordered the four police superintendents to field both uniformed and plainclothed cops to monitor the situation and maintain order to prevent trouble, especially in the event of panic withdrawals on Monday by depositors.

Navitadad issued the order to prevent similar incidents in August last year when several bank depositors were hurt during panic withdrawals incidents.

Police were immediately fielded at the bank's branches to protect both depositors and employees from being hurt by the mob who were also waiting for their turn to withdraw their money.

The cops have also been ordered to watch out for hold-up men and snatchers within the area following reports that several depositors were held up after withdrawing their money from the bank last August.

Meanwhile, newspaper ads placed by the Central Bank urged all BF employees to cooperate with officials who have been appointed to supervise the bank's property and debts, and informed depositors their money would be available at the Philippine National Bank.

President Ferdinand E. Marcos, in announcing an end to BF's operations Friday, said all its accounts would be transferred to the government-operated bank.

The closure of BF, which at one time claimed three million depositors and \$261 million in assets, came six months after the government announced it was lending the bank \$166 million in the midst of a run on deposits that forced it to close down for 10 days.

CSO: 4200/574

## NEW YEAR OFFERS OPPORTUNITY FOR MUSLIM-CHRISTIAN DIALOGUE

Cotabato City THE MINDANAO CROSS in English 12 Jan 85 pp 6, 11

[Article by Eliseo R. Mercado, OMI: "1985: A New Prospect for Muslim-Christian Dialogue?"]

[Text] The new year 1985 does not augur good times for the country. Filipinos, Christians and Muslims alike, will continue to live the economic crisis which is presently wringing untold havoc on the lives of over 80 per cent of the population.

Both will still be faced by the raging issues confronted in the previous years: Foreign dominance over the economy, the so-called constitutional authoritarianism of the present regime, the Amendment No. 6, the "interegnum" spectre, the still unindicted people involved in the military conspiracy surrounding the Aquino-Galman murders, the widespread corruption and cronyism in societal structures, the nuclear plant issue, the alternative democratic coalition government, etc.

Political pundits predict for the year 1985 more protest and indignation movements, only this time more widespread and more militant. Already various cause-oriented alliances and organizations begin to polish their tear gas masks and plan for marches, rallies and boycott, this time it will include the non-payment or the delayed payment of what people consider outrageous increases in taxes.

Today the national malaise is no longer an exclusive knowledge of the informed and the parliamentarians of the street. People from all walks of life whether in cities or in countrysides express their indignation over the 'goings' of the present regime.

Rightly or wrongly, all these issues confront both Muslims and Christians as they face the new year. Some 'apeccionados' in Muslim-Christian dialogues may argue that these and similar issues are beyond the range of conferences, seminars, convocations and official dialogues.

This may well be so, especially nowadays that Muslim-Christian dialogues, in any event, are becoming a kind of 'aristocracy', that is, involving a very few same faces. But whatever position one has over Muslim-Christian encounter, there is the impelling call that all such meetings should be realist about the depth of Christian-Muslim involvements in the issues which threaten their life and survival with dignity.

An attempt to realistic Muslim-Christian dialogue is the newly forged Muslim-Christian Alliance of the Philippines formed last November in Iligan City. There are people on both sides who claim that the assembly is a symbol of alliance between the Crescent and the Cross.

In these new forms of Muslim-Christian encounters, there is much to be said for honest search of common fronts and areas for them undoubtedly exist. But the inherent dangers in such undertaking is to gloss over the differences which exist also undoubtedly. An obvious illustration of this pitfall is the tendency to assimilate or digest the partners in dialogue into one's understanding of issues affecting the lives of both Muslims and Christians.

One sure way of overcoming these many pitfalls, is to inform oneself and to be truly sensitive to each other's perception and understanding of the issues involving the lives of Muslims and Christians. In the final analysis, perhaps this is really what matters in dialogues, conferences or assemblies between Muslims and Christians.

Thus as Muslims and Christians face the new year with new prospects of renewed meetings, there are two ways open for them. These are beautifully expressed in poems. The first one is written by George Macdonald. He writes:

" . . . Two clear souls

That see a truth, and turning to see at once

Each other's face in that truth's delight

Are drawn like lovers."

The other is taken from some lines of the 4th Book of Wordsworth's Excursion, where the poet insists that it is never intended that

". . . We should pore and dwindle as we pore,

Viewing all objects unremittingly

In disconnection, dead and spiritless;

And still dividing and dividing still,

Breakdown all grandeur, still unsatisfied

With the perverse attempt, while littleness

May yet become more little: waging thus

An impious warfare with the very life

Of our own souls."

CSO; 4200/573

VISAYAN HERALD ARTICLES SUPPORT LIBERATION THEOLOGY

Church's Response to Philippine Crisis

Cebu City VISAYAN HERALD in English 26 Jan 85 pp 2, 8

[Article by Ana Mariano: "Liberat'n Theology is Church's Response to the Philippine Crisis"]

[Text] Perhaps at no other time in her history has the Philippine Church been confronted with more urgent challenges than now. Faced with increasing poverty among her flock, and with injustice and political repression in society as a whole, the church, which has always been associated with kings and conquerors, with pomp and wealth, is being forced to redefine their role and the situation has undeniably shaken the church. It is now in the difficult process of trying to arrive at a consensus.

The crisis was nowhere more evident than in the series of events which since 1972 has strained church relations with the Philippine state. Fr. Primo Racimo, a key figure in the National Council of Churches in the Philippines, summarized it thus:

"In the early years of the establishment of the New Society (1972 onwards), the conditions prevailing challenged the institutional church to exercise her prophetic ministry and to respond to the calls of the people. As an institution, the church (response was divided) on crucial issues affecting the lives of the people and the nation. Church hierarchies were generally cautious and silent, but a creative minority among them have been consistent in denouncing the abuses of the regime and announcing their solidarity with the people. However, when issues threaten the existence and work of the institution the church spoke loudly in an unqualified unison."

Since 1972 when martial law was declared more and more church people have found themselves working among the poor. Basic Christian Communities, community-based organizations which undertake self-help projects and concrete political action based on the Latin American model, took shape. Consequently, more and more church people found themselves administering not only to the spiritual needs of the people but to their temporal needs as well.

Doing so inevitably involved them in political issues--first by the need to understand the causes of their flock's poverty and, later to organize them for concrete political action.

Since 1975 the religious have themselves organized. What started out as organizations such as Friends of the Workers and Friends of the Slum Dwellers have evolved into the Ecumenical Seminarian Fellowship the National Priests Union, Samahan ng Mga Madre sa Kamaynilaan (Nun's Association in Manila), Promotion of Church People's Rights Association of Major Religious Superiors in the Philippines, and many others.

The Church hierarchies too responded, though with some caution. Pastoral letters from the bishops and calls by the Catholic Church's head have time and again raised issues such as the root causes of poverty, "the issue of dissent from unjust laws and from the policies and practices of government," Amendment 6 which gives the Philippine President the power to legislate, secret marshals (an anti-crime police group), "salvaging" (summary executions, usually by police or military units), and other abuses.

The result has been persecution. Bishops, priests, nuns and lay workers have been killed, harassed, arrested and tortured. In 1984 alone, according to the church-based Task Force Detainees of the Philippines, at least two bishops' homes were raided; at least 26 church workers were arrested; five were killed and three abducted. For some time last year, the church was also engaged in a war of words with the state.

Cardinal Sin urged the people "to join the parliament of the streets," while President Marcos charged him with "inciting the people to sedition." Three church establishments were raided, and in July, the Catholic Bishops Conference of the Philippines noted in a pastoral letter that the country is "in a state of war" and decried "salvagings by the military." While the bishops advocated non-violence, they deplored the situation in the country, pointing to the need to transform the entire political and economic structure.

The exchange of words continued and so did church involvement in the struggles of the poor and the subsequent persecution. In this situation, which social scientists say is "revolutionary," a new theology that emerged under similar conditions in Latin America has taken root among Filipino religious. The Theology of Liberation, perhaps the single most important development in the Third World Church after Vatican II, is threatening to upend the centuries old traditions of the Church in the Philippines.

But all the furor and confusion that have arisen in church ranks derive not so much from a divided church as from elements that seek to divide it. For example, many interpreted the Vatican's "Instruction on Certain Aspects of the Theology of Liberation" as a condemnation, when in fact the document explicitly stated:

"The warning against the serious deviations of some 'theologies of liberation' must not at all be taken as some kind of approval, even indirect, of those who keep the poor in misery, who notice it while doing nothing about it, or who remain indifferent to it. The church, guided by the Gospel of mercy and by the love of mankind, hears the cry for justice and intends to respond to it with all her might."

Some church spokesmen say that the document attacks "the theory and philosophy of class struggle," claiming that the Marxist roots of this theory lead to "political amorality." Others disagree, however.

University of the Philippines Prof. Edmundo Garcia, a former student of the theology of liberation's principal spokesman, Fr. Gustavo Gutierrez, says: "Marxism did not invent social classes or class struggle. The theology of liberation simply accepts the fact that there are social classes, a glaring reality in Latin American societies. Neither does the theology of liberation advance class struggle. It simply says that men should relate to each other as brothers, that there should be more sharing in political and economic decision-making."

More than anything else, liberation theology, says Gutierrez, is the church's response to the challenge facing the church which is "how to say to the poor, to the exploited classes, to the marginalized races, to the despised cultures, to all the minorities and non-persons that God is love and that all of us are, and ought to be in history, sisters and brothers. This is our great question. If theology has any meaning, it is an attempt to respond to this question and to discover ways in this social struggle to form a new society of sisters and brothers." (PNF)

#### Church Factor in Revolution

Cebu City VISAYAN HERALD in English 27-28 Jan 85

[27 Jan 85 p 2]

[Interview by Philippine News and Features with Fr. Edicio de la Torre, SVD, detained first chairman of the Christians for National Liberation: "The Theology of Liberation Does Not Advocate Violence"]

[Text] (A "rebel" priest, as far as his jailers are concerned, Fr. Edicio de la Torre, SVD, or Fr. Ed as he is more popularly known, is one of the most colorful and articulate political personalities in the Philippine protest movement. He was elected the first chairman of the Christians for National Liberation when this was formed in 1972. He continued his work as a committed Christian until his arrest on Nov. 13, 1974. In detention, Fr. Ed reflected, wrote, and painted. He was released in April 1980 and sent to Rome for theological studies. He returned to the Philippines to research on church radicalism. Rearrested on April 22, 1982, he has been detained at Camp Bago Bantay in Quezon City and faces charges of rebellion. Following are excerpts from an interview Fr. Ed recently gave to Philippine News and Features.)

Philippine News and Features (PNF): Is it correct to say that the theology of liberation is a "liberation of theology"? Does it translate into a theology of un-Christian violence, as its critics aver?

Fr. Ed de la Torre (ET): That the theology of liberation (TL) is also a liberation of theology can be understood in two senses. One is that theology is liberated from "false burdens" especially concerning the formulation and evaluation of

political lines and strategies (according to their applicability to concrete situations). But I recognize that some theologies of liberation delay this liberation by attempting to draw political lines directly from theology. The other liberation is from theology's function as primarily serving the existing (dis)order; there is no question that TL's bias and the principal source of the reactions against it is its preferential option for the poor in their struggle for liberation.

I don't think TL advocates violence. I still have to read a TL that does this. I guess what riles TL's critics is that TL does not sweepingly condemn violence, or more precisely, armed struggle when waged by a popular movement for liberation, although I hasten to add that majority of the TLs I've read tend to criticize violence even when this is counter-violence against the existing institutional and repressive violence of the state.

PNF: How serious are the divisions in the Philippine church and in the Christian churches worldwide?

ET: In general, just about as serious as the divisions within the societies they are part of. Of course, the churches have their own leadership who may be more or less skilled than the political leaders in handling conflicts; also, the mechanisms of conflict resolution inside the churches are somewhat different from those in society at large. If we use political categories, the "left" forces within the church tend to be smaller compared to the left in society as a whole. Also, the churches prefer to mute some of their internal conflicts for the sake of presenting a unified facade to the public.

PNF: Do we discern some basic differences between Catholics and Protestants concerning the theology of liberation? What role does ecumenism play in this situation?

ET: I can speak only about the circles I have moved in. Protestants whom I've met tend to be more liberal than Catholics and therefore address certain social issues and theological themes a bit ahead of Catholics. On the other hand, there is greater struggle among Catholics to arrive at a common, authoritatively binding teaching; Protestants allow much more leeway for individual interpretation.

As for ecumenism, the rate of working unities and even theoretical convergence is much faster among the rank and file who meet in social action, compared to the movements for unity at the top. The agenda is less doctrinal or intrachurch, but more about the church's presence in the world and among the people's struggle.

For both Protestants and Catholics, the ecumenical question that is even more important is the relationship of Christians to other religions, especially Islam and Animism as operative in the Moro and Cordillera people's struggle. Expanding the scope of ecumenism would include the encounter between Christianity and Marxism and between both and nationalism.

PNF: Quite a few say, "Revolution will not succeed in the Philippines because Filipinos are Christians and will reject an alien faith and a godless ideology." How do you react to this position?



ET: Even if we concede such premises (the religiosity of Filipinos--which, by the way, need not be Christian--and the "irreligiosity" of Marxism and the Communist Party), the conclusion--that the revolution will not succeed--does not follow. No Marxist and no CPP member claims that the main content and character of the current revolutionary process is anything other than national liberation and democracy.

The next reaction I have is that the advance of the revolutionary process appears to be steady and this means that there is not only popular support for it but even popular participation in it. The revolutionaries, including the Marxists among them, must be doing something right, unless you buy the line that people are just being duped or terrorized. I don't think they are.

[28 Jan 85 p 2]

[Text] PNF: Do you foresee a Nicaragua-type church state relationship should the Philippine movement succeeded in winning political power?

ET: A Nicaragua-type relationship has many aspects. The presence of Church people in cabinet and other government positions need not occur here. What happened in Nicaragua is peculiar to that country: there was a lack of qualified personnel for certain levels of administration. I think we have enough lay people in the Philippines for all levels of administration.

What about the widespread support by the rank and file Church people and lay people for the Sandinistas? Something similar could develop here, depending on the political maturation of the revolutionary united front and also depending on the progress of conscientization and political involvement of Church personnel and lay people.

A third element is the political hostility of the hierarchy (the bishops) to the FSLN (Sandinista National Liberation Front), even though they did withdraw support from Somoza toward the end of his rule. I don't think our Catholic hierarchy will be that solidly hostile to a revolutionary regime (again, depending on that regime's policies and also on the development among the hierarchy). Like the Nicaraguan bishops, they will, in the main withdraw support from the present regime without necessarily endorsing a revolutionary alternative. More probably, they would prefer a non-revolutionary alternative government. But a growing minority among them would not find it difficult to live with a revolutionary regime.

PNF: Does theology of liberation imply that religion need not be an "opiate" any longer? Isn't religion this, no matter how radical? How reconcile the Christian utopia and the politico-scientific visions of social progress?

ET: That's a lot of questions; not one can be answered adequately I prefer to approach it, first of all, through praxis. Are there activists, even revolutionary activists, who say that they draw both inspiration and even some theoretical guidance from their religious faith? There are. If so, is their self-consciousness rooted in fact or is it illusory? Or more precisely is there a tendency for their religious consciousness to "wither away" and yield to secular consciousness; or do they simply undergo a purification of still the same basic religious worldview?

This was part of what I ought to find out in coming back to the Philippines in 1981. I wanted to use my studies in sociology of religion to examine the experience of church people who have involved themselves in the resistance both overt and covert.

My raw findings revealed two sets of people. One group said they "outgrew" their religious framework (consciousness and institution) and assumed an increasingly secular worldview. Another group (the bigger one) said their religious consciousness and praxis just got purified.

PNF: SVD priests like yourself & Fr. Conrado Balweg are movement notables. Is there an SVD school of thought on the theology of liberation? Like the Nicaraguan Jesuits, for instance?

ET: No. The activists in the SVD are a minority; there is no comparison with the Nicaraguan Jesuits, for instance?

Perhaps most of the SVD activists do share key experiences and insights, because we had a fairly substantial stint with the FFF (Federation of Free Farmers) and related organizations before martial law. The latest official position of the SVD on justice and peace work is quite progressive and I'm told that the Philippine SV has a lot of input into that document. But between official documents and institutional commitment (expressed in assigning personnel and resources), there's a gap. Most of the "notorious" activists are very marginal to the SVD.

PNF: You were abroad for theological studies after your first detention. Do you plan to publish your reflections and ideas on the subjects of your interest?

ET: One study I started but cannot finish, at least not while detained, is the one I mentioned earlier--a study of church people who are involved in the resistance. This was to have been the first of a two-part study; the second part would be a study of lay Christians, both from the middle class and especially from the peasants and workers. I hope some others who are interested can pick this up.

I have started a more systematic reflection on my own development as an activist, using the framework I used for a pre-martial law article: "The Passion, Death and Resurrection of a Petty-Bourgeois Christian." I hope I can discipline myself enough to finish it this year. (PNF)

CSO: 4200/574

PHILIPPINES

SUBVERSION CHARGES AGAINST TWO PRIESTS DROPPED

Davao City PEOPLE'S DAILY FORUM in English 27 Jan 85 pp 1, 7

[Text] Subversion charges against two Catholic Filipino parish priests filed before the municipal court of Sta. Cruz, Davao del Sur for alleged subversion have been dropped by the military.

This was revealed by Col. Patrick Madayag, PC provincial commander of Davao del Sur.

In dropping the case against the two priests, Madayag said the case was weak and the evidences against them were weak and would not stand in court.

Before dropping the case, Madayag has asked the permission of Brig. Gen. Dionisio Tan-Gatue, Jr., PC regional commander, saying that the dropping of the cases against the two parish priests of Sta. Cruz would do good for the military than harm.

The names of the two Filipino priests were withheld for obvious reasons.

The presiding judge allowed the case to be withdrawn by the PC since it has not yet reached its first and preliminary investigation.

The two priests were implicated by a ranking official to the subversion movement in an affidavit to the PC.

Meanwhile, Assemblyman Douglas Cagas has denounced Lito Ali alias Commander Alvin who was arrested by the PC last July 1984.

Commander Alvin had implicated Cagas as supporting the NPA cause in Davao del Sur through financial means.

Cagas said that since then the NPA commander has been seen in the company of the PC official as an asset.

Cagas said while Alvin has been tagged as an NPA commander, he has not been formally charged as a subversive, infact he freely roams around.

CSO: 4200/573

## PHILIPPINES

### 'CONCERNED CHRISTIANS' URGE 26 JAN 85 STRIKE SUPPORT

Cebu City VISAYAN HERALD in English 26 Jan 85 pp 2, 8

[Text] We have long been suffering! Our workers, farmers, fishermen and urban poor could hardly eat one full meal a day! We are all crying over the high prices of basic commodities. We lament the ever increasing taxation imposed on us by the State!

This situation is not the will of an omnipotent Gov't. It is the will of an evil system, guarded by the present State to implement the desires and caprices of profit-hungry capitalists. It is inhuman! It is unchristian!

Thus, we shout out our protests. And one form of concretizing our shout against this evil system that is destroying the lives of millions of Filipinos is to support the drivers' strike for oil price roll back.

The very high taxes imposed on us by the State are the dire results of an economy being tied to the dictates of foreign monopoly capitalists. The high taxation on oil products, resulting to a 52% increase of retail prices of oil products in 1984, was one of the conditions imposed by the International Monetary Fund (IMF) before granting the 8650 million standby credit to the bankrupt Marcos government. The decision of drivers to stage a transport strike for oil price roll back is, then, a just and legitimate cause. It is one sure way of expressing the people's sentiments against the inhuman practices of foreign monopoly capitalists over our lives and as facilitated by their demonic puppet regime.

Many of our people had once put their trust on the present Batasang Pambansa to look after their welfare. Now, we all realize that the Batasang Pambansa is but a mere decoration of the Marcos dictatorship to give a semblance of democracy in our country. Since most of the assemblymen are not true representatives of the people, all the just and legitimate complaints and aspirations of the people are always left unattended. In so doing, the Batasang Pambansa has become a partner of the Marcos regime in its vicious oppression of the Filipino people.

On the other hand, past experiences show that the joint struggles of all oppressed sectors, through the parliament of the streets and through transport strikes, are more effective and get more attention from the powers-that-are. It was for these strikes and mass demonstrations that the Marcos regime tried to appease the pent-up anger of the Filipino people over its misadministration of the country, by reducing the exorbitant price of oil by 22 centavos last January 9, 1985.

However, the said reduction, a mere 3% out of the 52 per cent increase in 1984, is merely a ploy, a make believe that the government is on the people's side. The fact is that it has not alleviated, even by a dot, the sad plight of our impoverished people. Even the price of our staple food, rice and corn, rose by 60 centavos immediately after the said reduction.

As we experienced in the last strikes and mass protests, the local functionaries of the Marcos regime may again resort to their brutal tactics. Gullas, Duterte, Ecarma, Olano and their subordinates may again unleash all their anti-people machinery, all the more showing their arrogance to the people and their loyalty only to their master. This, however, should not deter us from going forward with the oppressed Cebuano people. Sacrifices are an integral part of our struggle for freedom and democracy.

For us, too, concerned Christians, this anti-people bloc may escalate their attempt to divide us. They will throw at us all kinds of black propaganda--from smear campaigns of being infiltrated to being instant communists, from harassments and intimidations to arrests and detentions--all to hinder us from joining our people's legitimate protests. They have done and are continually doing this to us, to our church! But persecution is not a new phenomenon for us! And the fact that we are being persecuted only shows that we are being true to our mission, to our people!

Let us even more stand resolutely with our people, in their sufferings and in their struggles! Let us support the January 26 Transport Strike!

--Concerned Christians in support of the People's Strike (CCSPS)

CSO: 4200/574

PHILIPPINES

PUBLIC WORKS VEHICLES USED BY BMA IN DAVAO DEL NORTE

Davao City PEOPLE'S DAILY FORUM in English 26 Jan 85 pp 1, 6

[Text] Two vehicles belonging to the Ministry of Public Works and Highways are reportedly seen by residents of Pantukan, Davao del Norte being used by members of the Bangsa Moro Army in the course of their rebel activities in remote barangays of the town.

The vehicles bearing the marks of the MPWH, are assigned with the district office of the agency in Mati, Davao Oriental.

One well-meaning school teacher who requested anonymity, described the vehicles as a Ford Fiera and a stake body truck.

The teacher said that the vehicles were earlier borrowed by Governor Francisco Rabat of Davao Oriental. An employee of the district office or the MPWH in Mati allegedly told him that the vehicles were receipted under the name of the governor.

The Bangsa Moro Army, a group of rebels making Davao Oriental and Davao del Norte as their base of operation, are neither pro-government nor pro-communists, the report said.

It can be recalled that Governor Rabat was criticized in the media by residents of Davao Oriental because for his tolerance in the activities of the rebels especially in the hinterlands of the province.

MPWH authorities, however, denies having granted Governor Rabat the use of the vehicles for BMA activities. It is already a tradition that the MPWH lends its equipment to provincial and municipal governments.

CSO: 4200/573

MILITARY REINFORCEMENT OF NEGROS 'VIEWED WITH APPREHENSION'

Quezon City ANG PAHAYAGANG MALAYA in English 28 Jan 85 p 3

[Text] Bacolod City--Highly-reliable sources told Malaya that more military units have been assigned or are being formed in Negros Island, a move viewed with apprehension by various quarters here.

Confirmed information received by Malaya said that a unit of trained PC soldiers has been assigned in Central Negros and will be based in La Granja, La Carlota City.

Called the Regional Special Action Company (RSAC), the unit will integrate under its command the company-sized CHDF unit based in Kulisap in an hacienda reportedly owned by Philsucom chairman Roberto S. Bendicto.

Reportedly heading the unit is a certain Lt. Gitoces. The unit itself is under the overall jurisdiction of the PC Provincial Command.

The CHDF company is reportedly armed with the latest in weaponry and has been given ranger training and complete uniforms.

The reported military build-up in Central Negros coincides with a report that 60 CHDF recruits are being trained in Camp Delgado in Iloilo City, part of an estimated force of a 1,000 man CHDF brigade which will be fielded in the province.

Observers told Malaya, military forces in Negros are being beefed up in preparation for the forthcoming national and local elections which may take place in May of this year.

With the introduction of additional military forces belonging to different units in the island particularly in Negros Occidental, all of the province's three districts from north to south would have been saturated with regular and paramilitary forces.

CSO: 4200/574

PHILIPPINES

'UNKNOWN TERRORISTS' BOMB COTABATO SUGAR PLANT

Davao City PEOPLE'S DAILY FORUM in English 26 Jan 85 pp 1, 6

[Text] The power engine of the Northern Cotabato Sugar Industries, Inc. (NOCOSI) plant in Matalam, North Cotabato was bombed last Wednesday at about 10:25 p. m. by unknown terrorists.

Damage caused by the bombing was placed at ₱17 million by officials of the sugar central.

Before the explosion, Supervisor Engr. Ralf Casar saw three persons standing in the dark near the power engine house of the sugar mill with a plastic bag allegedly containing an object believed to be a bomb.

The engineer approached them and thinking that they are workers in the sugar mill, ordered them to proceed to their work.

One of them, however, shot the engineer but missed his target obviously because it was dark in the premises. The engineer immediately rushed to the guard house where the gunman chased him and fired at him again with his gun.

The gunman missed him again in his second shot. A few seconds later, a strong explosion rocked the engine house partly damaging its roofs and the power engine which is the source of electricity of the sugar mill.

The gunmen later disappeared from the scene after the explosion. They are believed to be MNLF or NPAs.

Romeo Biron, general manager of the NOCOSI, has readily asked the Cotabato electric cooperative to connect them with electricity so that the sugar mill operations will not be paralyzed.

The power engine is now undergoing repairs.

CSO: 4200/573



PHILIPPINES

TOLENTINO URGES BORDER CROSSING PACT WITH MALAYSIA

Manila PHILIPPINES DAILY EXPRESS in English 27 Jan 85 p 3

[Text] A border crossing agreement with Malaysia will help curb the problems allegedly posed on Sabah by Filipinos who enter their territory illegally by way of the Southern Philippines, Foreign Minister Arturo M. Tolentino said yesterday.

A border crossing agreement would provide for a joint Filipino-Malaysian patrolling of the waters separating the two countries, Tolentino said.

Malaysia, however, has "so far not agreed on meeting for that purpose," apparently bent on resolving the Sabah question first before tackling the border-crossing problem, the foreign minister said.

Sabah is reportedly asking federal authorities in Kuala Lumpur to help stem the flow of Filipino refugees from Mindanao to the East Malaysian state, alarmed over the hike in criminality in their area traceable to the presence of Filipinos.

Sabah police have claimed that 70 percent of the crimes in Sabah were committed by foreigners, most of whom were Filipino Muslim refugees. The refugees now constitute 10 percent of the estimated one million people in Sabah, it was reported.

The ruling Berjaya Party has sought the intervention of Malaysia's federal government in controlling the exodus to Sabah of Filipinos.

The exodus began in the early '70s after the escalation of fighting in Mindanao between government troops and the Moro National Liberation Front.

Sabah authorities, however, now suspect that many of recent "refugees" are not really refugees but are simply in Sabah to secure jobs in construction and plantation industries.

The police in that Malaysian state have stepped up their anti-crime campaign through increased foot and mobile patrols and thorough inspection of identification papers of Filipino refugees they encounter.

CSO: 4200/573

## SUPPORTING THAILAND'S NATIONAL DEVELOPMENT PLANS REPORTED

Tokyo LOOK JAPAN in English 19 Jan 85 pp 9, 11

[Article by Toshio Nakamura, Economic Cooperation Division Ministry of International Trade and Industry]

[Text]

*In recent years, Japan has expanded economic cooperation to almost all developing countries around the world. But Japan's assistance continues to center on Asia, particularly on ASEAN (Association of Southeast Asian Nations), with which Japan has had historically close relations. In 1982, aid to these countries was approximately \$684 million, or 29% of the net amount of bilateral government development assistance.*

*Thailand is an important economic partner for Japan, and also occupies an important position in Japan's economic cooperation program.*

Japan's total loan and grants to Thailand stood at approximately ¥525.6 billion (Exchange-of-Note basis) at the end of December 1983, making Thailand the third largest recipient of Japanese economic assistance in cumulative total, preceded only by Indonesia and India.

### Yen Loans

Provision of yen loans constitute the majority of Japan's bilateral official development assistance. Below is an outline of the yen loans that have been extended to Thailand so far.

In January 1968, the governments of Japan and Thailand concluded an exchange of notes on the first yen loans for ¥21.6 billion. Yen loans have been provided continuously since then, and in July 1984, an exchange of notes on the 11th yen loan was concluded. The cumulative total of yen loans extended to Thailand reaches ¥521.138 billion. By sectors of the projects financed by yen loans, the transportation sector, including improvement of roads, railroads and airports, ranks first with 34.2% of the total of ¥177.565 billion yen loans extended to Thailand. The energy sector,

which includes hydroelectric and thermal power development and improvement of power transmission and distribution system, is next with 24.5% (¥127.116 billion). Other major sectors financed by yen loans are agriculture, forestry and fisheries (¥96.287 billion, 18.5%), manufacturing (¥48.423 billion, 9.3%), communications (¥46.737 billion, 9%), and water supply (¥21.04 billion, 4.0%).

Japan has mainly extended yen loans in order to support the improvement of the infrastructure of the various sectors according to the priorities of the projects in Thailand's development policies.

### Thailand's Development Plans

Prompted by the report entitled *A Public Development Program for Thailand*, which was presented in the late 1950s by the World Bank, Thailand undertook its first development plan in 1961-66. The First Development Plan was centered on road construction, electric power development, and improvement of irrigation facilities. Japanese yen loans had yet to be extended to development projects at this stage.

In view of the results of the First Development Plan, the Second Development Plan was undertaken in 1966-71 with emphasis on correcting of income discrepancies between urban and rural areas, improving and diversifying of agricultural productivity, increasing employment opportunities and improving the quality of the labor force. The project also involved improvement of the transportation and communication infrastructure, electric power development and improvement of irrigation facilities. Japanese yen loans were provided so as to cooperate in the implementation of the Second Development Project for the first time. These loans were used for the Sirindhorn Dam project and for the expansion of telephone networks in Bangkok region.

**Yen Loans to Thailand**  
(in billion yen)

	Date of Conclusion of E/N	Amount
1st	Jan. 12, 1968	21.6
2nd	April 12, 1972	64.0
3rd	Oct. 7, 1975	16.84
4th	June 10, 1977	24.9
5th	March 29, 1978	32.5
6th	April 20, 1979	39.0
7th	July 29, 1980	50.0
8th	April 21, 1981	55.0
9th	June 8, 1982	55.0
10th	June 27, 1983	67.36
11th	July 16, 1984	69.638
Special	April 20, 1979	10.3
Special	June 8, 1982	15.0
Total		521.138

The Third Development Plan was undertaken in 1971-76. Supported by the favorable economic performance in the 1960's, the Plan was aimed at further improving the structure of the economy, sustaining growth, correcting income discrepancies, developing human resources, and increasing employment opportunities. It involved a wide range of programs including hydroelectric and thermal power development, improvement of agricultural irrigation facilities in central and northeastern regions, village electrification, strengthening of railroad transportation capacities, and improvement of highways. Japanese yen loans were extended for the development of a multipurpose dam in Nam Phrom, construction of a bridge over the

Chao Phraya River in Bangkok and improvement of power transmission and distribution networks.

In view of the turbulence Thailand experienced during its Third Development Plan, the Fourth Development Plan (1976-1981) emphasized "correction of structural problems potentially present in society," with the objective of "relieving the majority of people still in poverty and thus promoting equal economic and social order." In industry, growth of export-oriented industries was expected to achieve almost the same proportion as that of agriculture and manufacturing in the country's real gross domestic product.

In agriculture, on the other hand, the plan continued to stress expansion of institutional finance and further diversification of agricultural products. The project involved improvement of the infrastructure of individual fields. As part of village development, Japan started to extend economic assistance to the Small Scale Irrigation Program, the Productivity Road Construction Project, and the Village Electrification Project. Japan also provided loans for the Bank for Agriculture and Agricultural Cooperatives (BAAC) in order to support the development of institutional finance.

In the field of electric power, economic assistance was extended for the strengthening of the South Bangkok Thermal Power Station No. 5 and the Ban Chao Nen Hydropower Station. In the field of road construction, assistance was provided for the construction of an expressway and a bridge over the Chao Phraya River both in Bangkok.

### **The Fifth Development Plan and Projects Financed by Yen Loans**

The Fifth Development Plan (1982-86) is designed to reflect the expectation that Thailand will become a newly industrialized country in the next ten years. It encompasses the following policies: (1) further adjustment of the economic structure to emphasize an efficient economy rather than economic growth; (2) an emphasis on equality in economic and social development; (3) the elimination of poverty in undeveloped areas; and (4) the development of the private sector. In order to achieve these targets, the plan calls for restrained budgetary and financial policies, savings in mineral fuels which account for more than 30% of the total im-

port volume, the development of domestic energy resources and the improvement of Thailand's trade balance. In the long term, it also calls for the adjustment of the production structure and the elimination of poverty by developing agricultural villages.

Specifically, in the field of manufacturing, the Eastern Seaboard Development Program is intended to promote regional development, employment, and export-oriented industries by using natural gas obtained from the Gulf of Siam and diffusing manufacturing industries now concentrated in Bangkok area. In the field of agriculture, since remarkable increases in production through the expansion of cultivated land area cannot be expected, the Fifth Development Plan seeks to improve productivity through the improvement of irrigation facilities, utilization of chemical fertilizer, and the dissemination of improved varieties of crops. The elimination of poor farming villages such as those in the northeastern part of Thailand is an important goal of the Fifth Development Plan.

Japanese yen loans have been extended to the following projects of the Fifth Development Plan.

#### **Eastern Seaboard Development Project**

The Project is an ambitious one which will cover a total area of approximately 1,340,000 hectares and affect about 1,600,000 people in the three prefectures of Chon Buri, Rayong, and Chachoengsao. The Project's objectives are: promotion of small-scale industries in Chon Buri; promotion of export-oriented small- and medium-scale industries using ports in Laem Cha Bang; promotion of farm and fishery products processing industries in Rayong; establishment of basic heavy and chemical industries in Map Ta Pud; and promotion of the farm product processing industry in Chachoengsao. The investment cost in related infrastructure is estimated at 13.1 billion Baht. Japan International Cooperation Agency (JICA) had conducted feasibility studies for the related development projects, and Japan has so far extended a total of ¥53.743 billion in yen loans to the following projects through the Overseas Economic Cooperation Fund.

**East Coast Water Pipeline Project.** Water pipelines will be constructed from the Dok Krai reservoir to Map Ta Pud to supply industrial and

potable water to the eastern coastal industrial area. ¥6.57 billion was extended to the project in the 9th loan.

**Nong Pla Lai Dam Project.** The aim of this project is to overcome the shortage of irrigation water in the Dok Krai reservoir and to meet the increasing water demands for industrial and urban use. ¥320 million was financed for engineering service in the 9th loan.

#### **Map Ta Pud Complex**

**Natural Gas Separation Project.** This project in the Map Ta Pud industrial complex is to build a plant for separation of natural gas obtained from wells in the Gulf of Siam where commercial production of natural gas began in 1981. With the completion of the project, the projected annual production is 420,000 tons of LPG, 100,000 tons of ethane, and 60,000 tons of natural gasoline. ¥15 billion of the special yen loan was provided in 1982 to construct a terminal, shipping facilities, and pipelines. The plant is scheduled to begin operations in early 1985.

**Laem Cha Bang Port Construction Project.** This project calls for construction of a commercial port for light industry in the Laem Cha Bang industrial complex. The port will have six berths and will be able to deal with five million tons of cargo annually. This project was financed by ¥650 million in the 10th loan and ¥4.172 billion in the 11th loan respectively.

**Map Ta Pud Port Construction Project.** This project involves the construction of an industrial port for heavy and chemical industries in the Map Ta Pud industrial complex. The port will have 13 berths and is designed to handle four million tons of cargo annually. Japan provided ¥780 million in the 10th loan and ¥5.611 billion in the 11th loan for this project.

**Fertilizer Complex Project.** One of the keys to the development of agriculture in Thailand is the effective use of chemical fertilizer. Very little fertilizer has been utilized in Thai agriculture compared to other ASEAN countries. One of the many reasons for this is that chemical fertilizer is not produced domestically. Thus, the Thai government planned to construct a fertilizer plant in the Map Ta Pud industrial complex which will utilize domestic resources and meet most of the domestic

demand. In response to requests from the Thai government, Japan is considering extending a proposed ¥20.206 billion for the project in the 11th loan.

In addition, Japan has extended the following yen loans for engineering services: ¥140 million for the Map Ta Pud industrial complex, ¥150 million for the Sattahip-Rayong Railway Extension Project in the 10th loan, and ¥144 million for the Nong Ko-Laem Cha Bang Water Pipeline Project in the 11th loan.

#### **Village Development Projects**

Various projects are now being carried out to eliminate poverty in rural areas. The following projects are typical among those implemented using yen loans.

**Small-scale Irrigation Project.** In response to the Fourth Development Plan, Japan began to finance yen loans in the fifth loan for the development and improvement of irrigation facilities in rural areas. So far, it has provided a total of ¥28.46 billion in five times for this project. Only 11% of the cultivated land area in Thailand enjoys the benefit of irrigation facilities. This is a serious problem in the northeastern part of Thailand where unit production of rice in that region is far below the national average.

The aim of this project is to improve and establish 2,500 small-scale irrigation

facilities and increase agricultural productivity. To date, 1,500 facilities were financed.

**Village Electrification Project.** This Project calls for providing electricity to all villages to improve the living environment in rural communities. Under the Fifth Development Plan, the government of Thailand plans to provide electricity for 20,000 villages. In response to requests from the Thai government, Japan provided ¥8.28 billion in the 8th loan to provide electricity for 2,700 of these villages. In addition, to supply electric power to other rural areas under this project, there are projects for power distribution system reinforcement and normal rural electrification, for which Japan has provided ¥32.83 billion and ¥6.58 billion, respectively.

#### **Future Prospects**

Thailand has been the largest recipient of Japanese yen loans since fiscal 1982 (10th loan). Japan will continue to cooperate with the Fifth Development Plan by considering the requests of the Thai government and studying the feasibility of the various individual projects. Through this assistance, Japan hopes to contribute to Thailand's economic development and the development of friendly Japan-Thai relations.

CSO: 4100/216

CARTOON VIEWS KISSINGER PARTICIPATION IN KHMER TALKS

Bangkok LAK THAI in Thai 31 Jan 85 p 10

[Text]



# MILITARY AFFAIRS AND PUBLIC SECURITY

## INFORMATION ON VIETNAMESE MILITARY UNITS

[The following information on Vietnamese military units has been extracted from Vietnamese press sources published in Hanoi, unless otherwise indicated. Unit designators and subordination are as they appear in the original source. The remarks include a brief summary of the salient information available in the news item.]

<u>Unit</u>	<u>Remarks</u>
128th Navy Gp, Economic Construction Department Vessel HQ 77	Fish catch, fish sauce production reported. (NHAN DAN 17 Jan 85 p 1)
7th Co, S.8 Artillery Gp, Ha Tuyen Province	Photo of unit gun firing counterbattery mission. (NHAN DAN 18 Jan 85 p 1)
Khanh Khe Gp	Located in Lang Son Province. (NHAN DAN 26 Jan 85 p 3)
Sao Vang Gp	" " " " "
447th Gp	" " " " "
11 Det, 4.H Gp, 1st MR	Photo of unit artillery personnel firing mission against Chinese. (NHAN DAN 28 Jan 85 p 1)
M.53 Gp, Tay Bac Forces	Photo of 82mm mortar crews. Located on the border in Vi Xuyen District, Ha Tuyen Province. (NHAN DAN 1 Feb 85 p 1)
Co Do Missile Gp	Photo of unit member with missile in background. (NHAN DAN 3 Feb 85 p 2)
Song Lo Engineer Gp	Inducts new members into CPV. (NHAN DAN 4 Feb 85 p 3)
909th Economic Construction Gp	Commended for meeting goals. (NHAN DAN 4 Feb 85 p 3)

Economic Construction Gp  
Enterprise 874  
Enterprise 803  
63rd Unit

Commended for meeting goals. (NHAN DAN  
4 Feb 85 p 3)

72nd Navy Unit

Photo of unit weapons repair station.  
(QUAN DOI NHAN DAN 18 Jan 85 p 1)

H Gp  
B Gp  
18th Unit  
S AAA Unit  
19th Engineer Unit  
4th Unit  
09 Unit  
M.8 Unit

Subordinate units commended for good  
relations with local residents. (QUAN  
DOI NHAN DAN 18 Jan 85 p 2)

Le Loi Gp, 4th MR

Conducts training for reserve officers.  
(QUAN DOI NHAN DAN 18 Jan 85 p 3)

6th Artillery Unit

Deputy Commander: Major Nguyen Van Di  
[NGUYEENX VAWN ZIX]. Commended for  
training. (Quan Doi Nhan Dan 18 Jan 85  
p 4)

Chi Land Corps [Binh Doan]  
Khanh Khe Gp  
Sao Vang Gp  
Tay Son Regt

Subordinate units are located in Lang  
Son Province. (QUAN DOI NHAN DAN  
19 Jan 85 p 2)

73rd Gp  
18th Det  
15th Det  
7th Det

Commander: Cu Ngoc Ky [CUF NGOCJ KYR].  
Marked improvement in discipline noted.  
(QUAN DOI 23 Jan 85 p 2)

Border Defense Post 657, Gia Lai-Cong  
Tum Province

Located in Chu Prong District, opposite  
the Cambodian border. (QUAN DOI NHAN  
DAN 24 Jan 85 p 2)

4th Unit

Photo of infantry personnel conducting  
river crossing exercise. (QUAN DOI NHAN  
DAN 25 Jan 85 p 1)

38th Artillery Unit  
21st Det

Has training and combat readiness mis-  
sion. (QUAN DOI NHAN DAN 25 Jan 85 p 4)

17th Bn, 22nd Gp, Dong Tam Unit  
31st Co  
32nd Co

Commander: Le Minh Han [LEE MINH HANF].  
Trains recruits from Ben Tre, Can Tho,  
Minh Hai and Ho Chi Minh City. (QUAN  
DOI NHAN DAN 25 Jan 85 p 3)



31st Co, 50th Unit	Photo of personnel conducting martial arts training. (QUAN DOI NHAN DAN 27 Jan 85 p 3)
4th Co, 2nd Bn, Song Lo Engineer Gp	Photo of unit ferry operator. (QUAN DOI NHAN DAN 28 Jan 85 p 2)
H.99 Engineer Gp	Training Activities reported. (QUAN DOI NHAN DAN 28 Jan 85 p 2)
2nd Det, 52nd Unit, Hai Ninh Local Forces, Quang Ninh Province	Has defense position on Trang Vi Cape. (QUAN DOI NHAN DAN 29 Jan 85 p 1)
478th Gp	Was mentioned in obituary of unit political officer. (QUAN DOI NHAN DAN 29 Jan 85 p 4)
Signal Branch 9th Bn, Lam Son Unit 05 Unit	Subordinate units commended. (QUAN DOI NHAN DAN 29 Jan 85 pp 1, 4)
81st AAA Unit, Pac Bo Gp	Photo of gun crew. (QUAN DOI NHAN DAN 30 Jan 85 p 1)
Border Defense Post C.71, Cao Bang Province	Commended for measures taken against PRC plots. (QUAN DOI NHAN DAN 30 Jan 85 p 2)
26th Navy Gp Recon Plat, 27th Co 863rd Bn 3rd Bn	Deputy Commander: Nguyen Dinh Thi [NGUYEENX DINH THI]. Outstanding unit members profiled. (QUAN DOI NHAN DAN 31 Jan 85 p 2)
21st Co, 80th Unit, Artillery Command	Improvement in discipline noted. (QUAN DOI NHAN DAN 31 Jan 85 p 2)
K.15 Factory, Technical General Department	Portion of factory repairs artillery. (QUAN DOI NHAN DAN 1 Feb 85 p 1)
H.19 Engineer Unit	Dispersed in various locations. (QUAN DOI NHAN DAN 1 Feb 85 p 2)
H Gp 06 Unit 04 Unit	Collects money to provide local children with school supplies. (QUAN DOI NHAN DAN 1 Feb 85 p 2)
2nd Unit	Located in Lang Son Province. (QUAN DOI NHAN DAN 1 Feb 85 p 2)
S.72 Gp, Truong Son Forces N.42 Unit N.30 Unit	Working on the Mai Phai rail line running from Lang Son City to the Na Duong Mine. (QUAN DOI NHAN DAN 2 Feb 85 p 4)

B.7 Gp, T Gp 8th Gp 6th Gp 22nd Armored Unit	Youth Union activities noted. (QUAN DOI NHAN DAN 4 Feb 85 p 1)
S Infantry Gp H.54 Unit M.21 Unit 5th Co, 17th Bn, B.5 Unit 55th Unit	Located in Hoang Lien Son Province. (QUAN DOI NHAN DAN 4 Feb 85 p 2)
H.14 Border Defense Post	Spartan existence of personnel described. (QUAN DOI NHAN DAN 4 Feb 85 p 2)
1st Unit, Le Loi Gp, 4th MR	Repairs unit housing. (QUAN DOI NHAN DAN 4 Feb 85 p 2)
95th Gp	Located on the Quang Ninh Province border. (QUAN DOI NHAN DAN 4 Feb 85 p 2)
B.23 Gp	Located on the border of Quang Ninh Province. (THE DUC THE THAO 29 Jan 85 p 5)
CSO: 4209/255	

## ECONOMIC PLANNING, TRADE AND FINANCE

### NGHE TINH IMPROVES QUALITY OF TAX CADRES, COLLECTION

Hanoi NHAN DAN in Vietnamese 3 Jan 85 p 2

[Article by Thanh Phong: "Nghe Tinh Improves the Quality of the Tax Cadres"]

[Text] For a rather long time, the industrial and commercial tax collected in Nghe Tinh has not fulfilled the plan. During the first quarter of 1984, Nghe Tinh ranked last in the country in fulfilling the tax collection plan. The Nghe Tinh tax branch has gained experience and sought the reasons for this. One of the reasons is that the tax cadres have not received adequate professional training. A small number of cadres are degenerate and have been bribed by private merchants. Seeing these weaknesses, in conjunction with the campaign to study the resolution of the 6th Plenum of the CPV Central Committee and Directive No 22 of the Secretariat of the CPV Central Committee on building a strong and honest tax sector, the Nghe Tinh tax branch has organized things to have the entire sector study and review things. At the same time, the branch has organized short-term elementary training classes for 180 people and sent 54 cadres to attend middle-level courses. A long-term training program has been established and implemented in order to provide all the Nghe Tinh tax cadres with middle-level standards within the next 3 years.

Because of the new requirements and because the number of cadres in the Nghe Tinh tax sector has increased rapidly, Nghe Tinh has coordinated short and long-term training and implemented work-study programs. From the branch to the district offices, all have made preliminary summaries and gained experiences each month in order to monitor collections closely and help each other increase their understanding about the profession. Once every quarter, under the guidance of the branch, the groups organize "review" delegations to determine the strengths and weaknesses of the districts in collecting industrial and commercial taxes. The contents of the review include managing laborers, regulating, guiding and controlling collection sources and coordinating tax collection and the effect of this on production in order to create collection sources based on the policies and ensure fairness. In 1984, the Nghe Tinh tax branch reviewed things in 23 of the 27 districts, municipalities and cities. The shortcomings found during the review were promptly

corrected. Many of the tax cadres lacked quality and many of them had violated the ownership rights of the masses. These cadres were dealt with harshly. During the review campaigns, 66 cadres were found to have committed violations. Some were given warnings and others were dismissed.

Because of the good coordination between "building" and "opposing" and between improving political quality and professional capabilities and opposing negative aspects, the quality of the cadres has gradually improved. This has had a practical effect: by October 1984, the entire sector had collected more than 189 million dong of the 210 million dong stipulated in the plan. This was equal to 90 percent of the planned target for the entire year and represents a 30.7 percent increase as compared with the same period last year. Many units such as Huong Son, Ha Tinh City, Huong Khe and Nghia Dan fulfilled the plan for the entire year ahead of schedule.

As compared with previous years, the Nghe Tinh industrial and commercial tax sector has made great strides this year. However, collections are still low. Coordination between the sectors, such as the public security, finance, commercial and tax sectors, is not really close, and some places are still causing difficulties. A subjective shortcoming of the tax sector is that the professional quality of the tax cadres is poor. They have not been adequately educated concerning the lines and policies. Many of the cadres are arrogant, corrupt and greedy, and they have accepted bribes from private merchants.

"Building an honest and strong tax sector" not only requires that the tax sector make an effort but requires that the echelons, sectors and all the people in the province cooperate with the tax sector in carrying out the policies and discovering the shortcomings in order to contribute ideas, correct shortcomings and ensure that the full amount due the state is collected, that the collective ownership rights of the masses are respected and that things are done fairly and efficiently.

11943

CSO: 4209/190

## ECONOMIC PLANNING, TRADE AND FINANCE

### CONFERENCE DISCUSSES WAYS TO STIMULATE, EXPAND FAMILY ECONOMY

Hanoi NHAN DAN in Vietnamese 3 Jan 85 pp 1, 4

[Article: "Conference On Expanding the Family Economy"]

[Text] Vietnam News Agency (VNA): During the period 25-31 December 1984, the Agricultural Department of the Central Committee held an all-Vietnam conference in Hanoi to summarize last year's implementation of Directive No 35 of the Secretariat of the CPV Central Committee on stimulating and expanding the family economy.

Those attending the conference included the chairmen or vice chairmen of the provincial and municipal agricultural committees, representatives from a number of wards, districts, villages, subwards, agricultural and small industries and handicrafts cooperatives and state-operated economic installations and representatives of cooperative member families from various regions and economic zones throughout the country who have carried on excellent production.

Nguyen Thanh Binh, the secretary of the CPV Central Committee, and Vu Oanh, a member of the CPV Central Committee and the chief of the Agricultural Department, presided over the conference. Vu Dinh Lieu, a member of the CPV Central Committee and the vice chairman of the Council of Ministers, came and spoke at the conference.

After the Agricultural Department reported on the implementation of Secretariat Directive No 35 during the past year, several dozen reports were given detailing the practical experiences of the provinces, cities, districts, cooperatives and enterprises. A number of suggestions were made on expanding the family economy of agricultural cooperative members and retired cadres. Also, very specific experiences centered on the problem of expanding the family economy and linking this to the collective and state economies were discussed.

Based on the production practices and on the daily needs of the people, in recent years, particularly since the beginning of 1984, the localities and the state and collective economic installations have made rather clear changes in organizing and guiding the family economy to help it expand. Ho Chi Minh City and Haiphong and Vinh Phu, Thai Binh,

Ha Nam Ninh, Thanh Hoa, Quang Nam-Danang and Tien Giang provinces have made plans to expand research on Directive No 35 of the Secretariat and put forth specific measures for organizing and guiding the family economy so that it expands properly. Depending on the specific conditions in each locality, the forms for expanding the family economic sector must be developed based on suitable models in order to exploit the land and labor potential. In general, the localities have correctly determined the position of the family economy and have begun organizing things so that the family economy in each place expands in conjunction with the collective and state economies. Many districts quickly saw the position and role of the family economy and, making full use of the labor potential in each family in conjunction with collective and state production and business, generated new growth in the economy.

In Phu Cat District in Nghia Binh Province, during the past 9 years, the collective and state [sectors] planted only 80 hectares in coconut. At this rate, it would take the district 60 years to finish planting the 600 hectares stipulated in the plan. During the past 2 years, Phu Cat District has issued suitable coconut cultivation quotas to the families and established a system of material incentives. Because of this, 540 hectares have been planted in coconuts and 300 coconut groves have been built. Doan Hung District in Vinh Phu Province has more than 10,000 hectares of forests and one half of this is unused. In recent years, the district has stipulated that the families can keep 10 percent of the products and so the families have protected the forests and actively planted trees. Now, the province has entrusted the cooperatives with the task of managing the forests and forest land, and the cooperatives have entrusted the cooperative member families with the task of looking after and protecting the forests. Luc Ngan District in Ha Bac is a hilly midlands area that can grow industrial crops and fruit trees. During the past 2 years, the district has organized things to have the families plant crops based on the plans and processed 300 tons of lichees obtained from the plots of the families.

Many cooperatives and production collectives have organized things and guided the families in producing, processing and distributing the products of the family economy. At the Dong Hoa Cooperative in Dong Hung District, Thai Binh Province, each person has an average of more than 400 square meters of farmland. The cooperative has guided the families in making full use of the land around their houses and around the ponds, in using the water sources and in forming many production belts in the areas for transplanting contract rice and in the 5-percent areas. Because of this, the incomes of the families have increased, and the cooperative is prospering. The Tho Son Cooperative in Tam Thanh District, Vinh Phu Province, has relied on the family production forces to quickly plant lacquer trees and cover the barren ground and hills. After only 4 years, the cooperative and cooperative members have planted 200 hectares and obtained 30 tons of resin. The lives of the cooperative members have improved, and the cooperative exports goods worth an average of \$100 per person per year. At the Dang Hai Cooperative in An Hai District outside the city of Haiphong, there

is average of only 288 square meters of arable land per person. The cooperative has linked the family economy to the collective and state economies in a management mechanism and had the family economy participate in exports. The cooperative has organized things to have the families produce export goods, which has earned rather large sums of money for the collective and the families.

Vu Dinh Lieu clearly defined the important position and role of the family economy in the initial stage of the national economy's advance to socialism. He mentioned the organizational forms of the various types of family economies in each zone, at each base and in each economic sector. He pointed out the responsibilities of the sectors and echelons and of each economic base in organizing and guiding the family economy.

Nguyen Thanh Binh concluded the conference by praising the localities, sectors, echelons and, in particular, the collective and state economic bases. Recently, they have made new changes in organizing and expanding the family economy and linking it to the state and collective economies. He affirmed the correct viewpoint of the party regarding the family economy in the coming years and in the distant future. The family economy cannot be confined to the gardens and ponds of the families but must be expanded and linked to the collective and state economic activities. Each cooperative, production collective, state farm, state forest and state enterprise must have production and business plans and link them to the production plans of the peasant, worker and cadre families. Each collective and state economic unit must make use of the labor potential and leisure time of the families and find jobs for the laborers so that the laborers in each family earn an extra income in addition to their wages and incomes from the collectives.

11943

CSO: 4209/190

## AGRICULTURE

### TIEN GIANG COMPLETES ORGANIZATION OF FARMERS IN COLLECTIVE PRODUCTION

Hanoi NHAN DAN in Vietnamese 2 Jan 85 p 1

[Article: "Agricultural Transformation In Nam Bo: Tien Giang Basically Completes Organization of Farmers In Collective Production"]

[Text] For more than 8 years (1976-1984), Tien Giang has resolutely striven to hit the targets of relating transformation to production reorganization, expanding agriculture in all aspects and building new rural areas. Using the operational guideline "actively and steadily carry on transformation together with construction, with the transformation tasks primary," to date, Tien Giang has led the other provinces in (former) Nam Bo in basically completing organizing the farmers in collective production organizations, mainly production collectives.

By the end of October 1984, Tien Giang had 67 agricultural cooperatives and more than 2,580 production collectives. In 1984 alone, it built 40 new cooperatives and almost 100 agricultural production collectives. All of the villages, subwards and towns and 819 of the 922 hamlets and wards had organized cooperatives and collectives. The 7 districts and cities in the province, comprising 126 villages and towns and 793 hamlets, have basically completed organizing production collectives and cooperatives; 87 percent of the area cultivated in rice and more than 88 percent of the farm families, which includes 92 percent of the rural laborers, have been organized in collective production. Along with organizing a socialist collective agricultural economy, Tien Giang has organized marketing and credit cooperatives in more than 100 villages in the various areas and districts in the province.

Ever since they were formed, the production collectives have given attention to establishing the collective and cooperative members' collective ownership rights over the land and to mobilizing production share funds and production materials such as various types of machinery and farm implements. At the same time, they have quickly and effectively implemented the new contract mechanism in the production sectors, gradually expanded the business sectors using joint business forms, linked the cooperatives with the collectives, the collective agricultural economic units with the marketing and credit cooperatives and the production installations with the business and service installations in the districts. Because of this, the cooperatives and collectives



have manifested the superiority of the new production relations in the rural areas in all spheres, expanded production in all aspects, particularly agricultural production, accumulated [money] for the collectives and made larger and larger contributions to the state. The incomes of the members of the collectives and cooperatives have increased, and their standard of living is much higher than it was when they worked separately.

In carrying on agricultural transformation, Tien Giang has trained the primary level cadres, strengthened the primary and district echelons, used the district as the echelon to reorganize production, plan production and build an agro-forestry-fishing-industrial production structure, linked agricultural production to the small industry and handicrafts sector and to circulation and distribution at the primary level, ensured that everything proceeds in a synchronized manner and solidified and perfected the new production relations to achieve even better results.

Tien Giang is continuing to carry on transformation and construction in agriculture by solidifying and perfecting socialist production relations along with expanding the production forces and linking the state-operated and collective installations with the family economy.

11943

CSO: 4209/190

END